

## CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

<b>I. (a) PLAINTIFFS</b> <p style="text-align: center;">Graphic Arts Mutual Insurance Company</p>	<b>DEFENDANTS</b> <p>Indian River School District; Indian River School Board; Harvey L. Walls; Mark A. Isaacs; John M. Evans; Richard H. Cohee; Gregory Hastings; Nina Lou Bunting; Charles M. Bireley; Donald G. Hatier; Reginald L. Helms; M. Elaine McCabe; Lois M. Hobbs; Earl J. Savage</p>
<b>(b)</b> County Of Residence Of First Listed Plaintiff: Oneida County, NY (Except In U.S. Plaintiff Cases)	County Of Residence Of First Listed Defendant: All Defendants Reside in Sussex County, DE <p style="text-align: center;">(IN U.S. PLAINTIFF CASES ONLY)</p> NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED
<b>(c)</b> Attorneys (Firm Name, Address, And Telephone Number) <p>Anthony G. Flynn (#74)          Timothy Jay Houseal (#2880)          Jennifer M. Kinkus (#4289)          Young Conaway Stargatt &amp; Taylor, LLP          The Brandywine Buidling          1000 West Street, 17<sup>th</sup> Floor          Wilmington, DE 19801          (302) 571-6682</p>	Attorneys (If Known)

<b>II. BASIS OF JURISDICTION</b> (PLACE AN X IN ONE BOX ONLY) <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> 1 U.S. Government Plaintiff         </div> <div style="width: 48%;"> <input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)         </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <input type="checkbox"/> 2 U.S. Government Defendant         </div> <div style="width: 48%;"> <input checked="" type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)         </div> </div>	<b>III. CITIZENSHIP OF PRINCIPAL PARTIES</b> (Place An X In One Box For Plaintiff And (For Diversity Cases Only) One Box For Defendant) <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Citizen of This State</td> <td style="width: 33%;">PTF DEF <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 1</td> <td style="width: 33%;">Incorporated or Principal Place of Business in This State</td> <td style="width: 33%;">PTF DEF <input type="checkbox"/> 4 <input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input checked="" type="checkbox"/> 2 <input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in This State</td> <td><input type="checkbox"/> 5 <input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3 <input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6 <input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	PTF DEF <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 1	Incorporated or Principal Place of Business in This State	PTF DEF <input type="checkbox"/> 4 <input type="checkbox"/> 4	Citizen of Another State	<input checked="" type="checkbox"/> 2 <input type="checkbox"/> 2	Incorporated and Principal Place of Business in This State	<input type="checkbox"/> 5 <input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3 <input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6 <input type="checkbox"/> 6
Citizen of This State	PTF DEF <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 1	Incorporated or Principal Place of Business in This State	PTF DEF <input type="checkbox"/> 4 <input type="checkbox"/> 4										
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Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3 <input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6 <input type="checkbox"/> 6										

V. NATURE OF SUIT (Place An X In One Box Only)					
CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input checked="" type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	<b>PERSONAL INJURY</b> <input type="checkbox"/> 362 Personal Injury - Med Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 U.S.C. 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R R & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empi Ret Inc Security Act	<input type="checkbox"/> 422 Appeal 28 U.S.C. 158 <input type="checkbox"/> 423 Withdrawal 28 U.S.C. 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS - Third Party 26 U.S.C. 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates, etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 U.S.C. 3410 <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes <input type="checkbox"/> 890 Other Statutory Actions
<b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>CIVIL RIGHTS</b> <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 440 Other Civil Rights	<b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General Habeas Corpus <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition			

IV. ORIGIN (PLACE AN "X" IN ONE BOX ONLY)						
<input checked="" type="checkbox"/> 1 Original Proceeding	<input type="checkbox"/> 2 Removed from Court	<input type="checkbox"/> 3 Remanded from Appellate Court	<input type="checkbox"/> 4 Reinstated or Reopened	<input type="checkbox"/> 5 Transferred from another district (specify)	<input type="checkbox"/> 6 Multidistrict Litigation	<input type="checkbox"/> 7 Appeal to District Judge from Magistrate Judgment

<b>VI. CAUSE OF ACTION</b>	(CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE BRIEF STATEMENT OF CAUSE DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY.)
This action for declaratory relief and restitution/quantum meruit is filed pursuant to 28 U.S.C. § § 2201 and 2202 and this Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332 because the parties are of diverse citizenship and the amount in controversy exceeds \$75,000, exclusive of interest and costs.	

VIII. RELATED CASE(S) (See instructions) Dobrich v. Walls  
IF ANY JUDGE: Joseph J. Farnan, Jr. DOCKET NUMBER: 05-120

DATE 4/12/06 SIGNATURE OF ATTORNEY OF RECORD [Signature]  
FOR OFFICE USE ONLY

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_

AO FORM 85 RECEIPT (REV. 9/04)

United States District Court for the District of Delaware

06 - 246

Civil Action No. \_\_\_\_\_

**ACKNOWLEDGMENT**  
**OF RECEIPT FOR AO FORM 85**

**NOTICE OF AVAILABILITY OF A**  
**UNITED STATES MAGISTRATE JUDGE**  
**TO EXERCISE JURISDICTION**

I HEREBY ACKNOWLEDGE RECEIPT OF 13 COPIES OF AO FORM 85.

4/12/06

(Date forms issued)

[Signature]

(Signature of Party or their Representative)

John Diller

(Printed name of Party or their Representative)

Note: Completed receipt will be filed in the Civil Action



McCabe, Lois M. Hobbs, and Earl J. Savage (all collectively the “Indian River Defendants”) are entitled to a defense and/or indemnification under policy CPP 2054275 issued by Graphic Arts to Indian River with respect to an underlying lawsuit.

### **PARTIES**

2. Plaintiff Graphic Arts a corporation organized under the laws of New York with its principal place of business at 180 Genesee Street, New Hartford, New York.

3. Defendant Indian River School District (“Indian River”) is a public school district in Sussex County, Delaware.

4. On information and belief, Defendant Indian River School Board (“School Board”) is a ten-member duly elected body that governs the Indian River school system.

5. On information and belief Defendants Harvey L. Walls, Mark A. Isaacs, John M. Evans, Richard H. Cohee, Gregory A. Hastings, Nina Lou Bunting, Charles M. Bireley, Donald G. Hattier, Reginald L. Helms and M. Elaine McCabe are members of the School Board, and are named Defendants in their capacity as such (hereinafter “School Board Members”). Each is a resident of the State of Delaware.

6. On information and belief, Defendant Lois M. Hobbs is the Superintendent of the District (“Superintendent”) and is a resident of the State of Delaware and is named Defendant in her capacity as such.

7. On information and belief Defendant Earl J. Savage is the Assistant Superintendent of the District (“Assistant Superintendent”) and is a resident of the State of Delaware and is named Defendant in his capacity as such.

**JURISDICTION AND VENUE**

8. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §1332. The parties are of diverse citizenship, and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

9. This Court has personal jurisdiction over the Defendant District because it is domiciled in the State of Delaware.

10. This Court has personal jurisdiction over the Defendant School Board because it is domiciled in the State of Delaware.

11. This Court has personal jurisdiction over Defendants Harvey L. Walls, Mark A. Isaacs, John M. Evans, Richard H. Cohee, Gregory A. Hastings, Nina Lou Bunting, Charles M. Bireley, Donald G. Hattier, Reginald L. Helms, M. Elaine McCabe, Lois M. Hobbs, and Earl J. Savage, because they are residents of the State of Delaware and have acted and are continuing to act in an official capacity on behalf of Indian River and/or the School Board in Sussex County Delaware.

12. Venue in this judicial district is proper pursuant to 28 U.S.C. §1391 (a) because a material part of the acts or omissions at issue took place here.

**THE INSURANCE CONTRACT**

13. Graphic Arts issued insurance contract CPP 2054275 to Named Insured "Indian River School District", with an effective date from August 1, 2004 to August 1, 2005 (the "Insurance Contract") (Exhibit A).

14. Subject to all of its terms and conditions, the Insurance Contract provided certain School District and Educators Legal Liability Coverage (“SDELL coverage”) and Commercial General Liability Coverage (“GL coverage”).

15. In addition to the Named Insured, Indian River, the Insurance Contract extended insured status to each of the School Board Members, the Superintendent, and the Assistant Superintendent, but only to the extent acting in their respective capacities as such.

16. In part, the SDELL coverage “Insuring Agreement” provided that Graphic Arts “will pay for all ‘loss’ resulting from a ‘claim’ for a ‘wrongful act’ to which this insurance applies. We will have the right and duty to defend an ‘insured’ against any ‘suit’ seeking such ‘loss’ . . . .”

17. However, the SDELL coverage expressly provided that Graphic Arts, “[a]t our discretion, . . . may investigate any allegation of a ‘wrongful act’ and settle any ‘claim’ or ‘suit’ that may result.”

18. Moreover, as a condition precedent to the possibility of any insurance under the SDELL coverage, Indian River “must see to it that we are notified as soon as practicable of any ‘wrongful act’ which may result in a ‘claim’” and if “a ‘claim’ is received by an insured, [Indian River] must . . . [n]otify us as soon as practicable.”

19. As a further condition precedent to the possibility of any SDELL coverage, Indian River “and any other involved insured must . . . . [c]ooperate with us in the investigation or settlement of the ‘claim’ or defense against any ‘suit’ . . . .” and “[n]o insured will, except at that insured’s own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.”



20. The SDELL coverage also provided that “[l]oss’ shall not include . . . [f]ines or penalties imposed by law” or “[i]njunctive relief, including costs to comply with injunctive orders or judgments” or “[o]perating costs of your institution . . . .”

21. In part, the GL coverage A “Insuring Agreement” provided that Graphic Arts “will pay those sums that the insured becomes legally obligated to pay as damages because of ‘bodily injury’ . . . to which this insurance applies. We will have the right and duty to defend any ‘suit’ seeking those damages.”

22. In part, the GL coverage B “Insuring Agreement” provided that Graphic Arts “will pay those sums that the insured becomes legally obligated to pay as damages because of ‘personal injury’ . . . . to which this insurance applies. We will have the right and duty to defend any ‘suit’ seeking those damages.”

23. However, the GL coverage expressly provided that Graphics Arts “may at our discretion investigate any ‘occurrence’ and settle any claim or ‘suit’ that may result” for purposes of coverage A and “may at our discretion investigate any ‘occurrence’ or offense and settle any claim or ‘suit’ that may result” for purposes of coverage B.

24. Moreover, as a condition precedent to the possibility of any GL coverage, Indian River also was required to “see to it that [Graphics Arts is] notified as soon as practicable of an ‘occurrence’ or an offense which may result in a claim . . . .” and when “a claim is made or ‘suit’ is brought” Indian River must “[n]otify us as soon as practicable.”

25. As a further condition precedent to the possibility of any GL coverage, Indian River and any other involved insured must “[c]ooperate with [Graphic Arts] in the investigation, settlement or defense of the claim or ‘suit’ . . . .” and [n]o insured will, except at that insured’s



own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.”

### **THE DOBRICH LAWSUIT**

26. On or about February 23, 2005, the Indian River Defendants were sued through an action styled *Dobrich v. Walls*, No. 05-120 (JJF) (D. Del., filed Feb. 23, 2005).

27. Graphic Arts provided a defense for the Indian River Defendants to the *Dobrich* lawsuit based on the terms and conditions of the Insurance Contract subject to a complete reservation of rights.

28. However, the Indian River Defendants have violated material terms and conditions of the Insurance Contract, including by violating their obligation to cooperate with Graphic Arts in relation to confidential settlement negotiations, by preventing Graphic Arts from using its contractual right to settle in its discretion, by voluntarily assuming additional obligations and incurring expenses without the consent of Graphic Arts that otherwise could and would be avoided, and by failing and refusing to communicate properly with Graphic Arts.

29. As a result of these material breaches of contract, Graphic Arts has no obligation to provide any defense and/or indemnification to the Indian River Defendants, and Graphic Arts is legally entitled to withdraw from any defense, payment, or other obligation with respect to the *Dobrich* lawsuit.

30. However, the Indian River Defendants dispute that Graphic Arts is entitled to withdraw from the defense of the *Dobrich* lawsuit, and claim that Graphic Arts still has a defense and indemnification obligation to the Indian River Defendants for the *Dobrich* lawsuit.

**COUNT I: DECLARATORY JUDGMENT**

31. Graphic Arts incorporates all the allegations set forth in Paragraphs 1-30 above as if fully set forth and restated here.

32. This is a claim for declaratory judgment pursuant to 28 U.S.C. §§2201 and 2202. Graphic Arts seeks a judicial determination of the respective rights and obligations of Graphic Arts and the Indian River Defendants with respect to an actual controversy arising in relation to the terms of the Insurance Contract and the defense and indemnification of the *Dobrich* lawsuit.

33. Graphic Arts seeks a declaration that the Indian River Defendants have materially breached the terms and conditions of the Insurance Contract, including by violating their obligation to cooperate with Graphic Arts in relation to confidential settlement negotiations, by preventing Graphic Arts from using its contractual right to settle in its discretion, by voluntarily assuming additional obligations and incurring expenses without the consent of Graphic Arts that otherwise could and would be avoided, and by failing and refusing to communicate properly with Graphic Arts.

34. Graphic Arts therefore seeks a declaration that it has no obligation to defend or indemnify any of the Indian River Defendants with respect to the *Dobrich* lawsuit.

35. The issuance of declaratory relief by this Court will terminate this controversy between the parties.

36. The controversy is of sufficient immediacy to justify the issuance of declaratory relief by this Court.

**COUNT II: RESTITUTION**

37. Graphic Arts incorporates all the allegations set forth in Paragraphs 1-36 above as if fully set forth and restated here.

38. The Indian River Defendants demand that they continue to receive the benefit of a defense of the *Dobrich* lawsuit at the expense of Graphic Arts notwithstanding that the terms and conditions of the Insurance Contract have been breached.

39. The retention of such a benefit by the Indian River Defendants, notwithstanding their violation of the terms and conditions of the Insurance Contract, would unjustly benefit the Indian River Defendants to the loss and detriment of Graphic Arts in violation of fundamental principles of justice, equity, and good conscience.

40. Graphic Arts therefore is entitled to restitution for all such sums from the Indian River Defendants from the date of the breach of the Insurance Contract.

**COUNT III: QUANTUM MERUIT**

41. Graphic Arts incorporates all the allegations set forth in Paragraphs 1-40 above as if fully set forth and restated here.

42. The Indian River Defendants seek to continue to receive the benefit of a defense of the *Dobrich* lawsuit at the expense of Graphic Arts notwithstanding that the terms and conditions of the Insurance Contract have been breached.

43. The Indian River Defendants knew and know that the Insurance Contract imposes conditions precedent to any right to receive this valuable benefit, and that Graphic Arts understood and expected that these conditions would be honored as consideration for the payment of this benefit.

44. The retention of such a benefit by the Indian River Defendants, notwithstanding their violation of the terms and conditions of the Insurance Contract, would unjustly benefit the Indian River Defendants to the loss and detriment of Graphic Arts in violation of fundamental principles of justice, equity, and good conscience.

45. Graphic Arts therefore is entitled to a quantum meruit recovery for all such sums from the Indian River Defendants from the date of the breach of the Insurance Contract.

**WHEREFORE**, Graphic Arts requests that the Court enter a judgment:

- A. Declaring that the Indian River Defendants have breached the terms and conditions of the Insurance Contract.
- B. Declaring that Graphic Arts has no obligation to defend or indemnify the Indian River Defendants with respect to the *Dobrich* lawsuit.
- C. Declaring that Graphic Arts is entitled to restitution, and awarding the monetary recovery in favor of Graphic Arts accordingly from the date of the breach of the Insurance Contract.
- D. Declaring that Graphic Arts is entitled to a quantum meruit recovery, and awarding the monetary recovery in favor of Graphic Arts accordingly from the date of the breach of the Insurance Contract.

E. Awarding Graphic Arts such other and further relief the Court deems just and proper.

**YOUNG CONAWAY STARGATT & TAYLOR, LLP**



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Anthony G. Flynn (#74)  
Timothy Jay Houseal (#2880)  
Jennifer M. Kinkus (#4289)  
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1000 West Street, 17th Floor  
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Attorneys for Plaintiff Graphic Arts Mutual Insurance  
Company

**Of Counsel:**

Edward J. Grass, Esquire  
Steven W. McNutt, Esquire  
Hunton & Williams LLP  
1751 Pinnacle Drive  
Suite 1700  
McLean, VA 22102

DATED: April 12, 2006



06 - 246



*This School insurance policy  
has been prepared for:*

INDIAN RIVER SCHOOL DISTRICT  
R.D. #2 BOX 236  
FRANKFORD, DE 19945

*Presented by the Utica National  
companies and your independent agent:*

THE L & W AGENCY  
P O BOX 918  
DOVER, DE 19904  
(302) 674-3500



UTICA NATIONAL INSURANCE GROUP

R3897  
CPP 2054275



Utica National  
School Insurance Program

INDIAN RIVER SCHOOL DISTRICT  
R.D. #2 BOX 236  
FRANKFORD, DE 19945

We appreciate the opportunity to provide your insurance protection, through your local independent insurance agent.

Your policy and related documents are enclosed. Should you have any questions on these materials, please contact your agent immediately. Your agent's name and address are listed below.

Utica National, founded in 1914, is a leader in providing coverage to Schools and Colleges. We thank you for your business and we look forward to serving your insurance needs.

Sincerely,

PRESIDENT AND CEO

Utica National Insurance Group  
Insurance that starts with you.

THE L & W AGENCY  
P O BOX 918  
DOVER, DE 19904  
(302) 674-3500





## UTICA NATIONAL INSURANCE GROUP

GRAPHIC ARTS MUTUAL INSURANCE CO.  
180 GENESEE STREET  
NEW HARTFORD, NY 13413

R3897  
THE L & W AGENCY  
P O BOX 918  
DOVER, DE 19904  
(302) 674-3500

POLICY NUMBER: CPP 2054275

NAMED INSURED: INDIAN RIVER SCHOOL DISTRICT

ADDRESS: R.D. #2 BOX 236  
FRANKFORD, DE 19945

BUSINESS DESCRIPTION: PUBLIC SCHOOL SYSTEM

POLICY PERIOD: FROM 08-01-04 TO 08-01-05 12:01 A.M. Standard Time at your address shown above.

In return for the payment of the premium and subject to all terms of this policy, we agree with you to provide the insurance as stated in this policy.

### COMMERCIAL PACKAGE POLICY — COMMON POLICY DECLARATIONS

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Commercial Property Coverage Part	\$ 802.00
Commercial General Liability Coverage Part	\$ 57,370.00
Commercial Crime Coverage Part	\$
Commercial Inland Marine Coverage Part	\$ 8,101.00
Commercial Auto Coverage Part	\$ 1,237.00
<b>TOTAL</b>	<b>\$ 67,510.00</b>

\_\_\_\_\_  
Company Officer

REPRINT

CPP 08 7 2054275

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.



UTICA NATIONAL INSURANCE GROUP

PAGE 1

GRAPHIC ARTS MUTUAL INSURANCE CO.  
180 GENESEE STREET  
NEW HARTFORD, NY 13413

R3897  
THE L & W AGENCY  
P O BOX 918  
DOVER, DE 19904  
(302) 674-3500

POLICY NUMBER: CPP 2054275  
RENEWAL OF CPP 2054275

NAMED INSURED: INDIAN RIVER SCHOOL DISTRICT

ADDRESS: R.D. #2 BOX 236  
FRANKFORD, DE 19945

BUSINESS DESCRIPTION: PUBLIC SCHOOL SYSTEM

POLICY PERIOD: FROM 08-01-04 TO 08-01-05 12:01 A.M. Standard Time at your address shown above.

In return for the payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

### COMMERCIAL PROPERTY COVERAGE PART—DECLARATIONS

Deductible is \$ 250 for Building and Business Personal Property coverages unless otherwise noted below.  
See below and coverage forms for deductible(s) applicable to other items.

LOC/ BLDG.	FORM NUMBER	DESCRIBED PREMISES AND COVERAGES	LIMIT OF INSURANCE	PREMIUM
001		PUBLIC SCHOOL S/S OF 381A ROXANNA, DE 19945 PROTECTION CLASS 06		
001-001				
	CP0010	YOUR BUSINESS PERSONAL PROPERTY	\$ 54,590	INCLUDED
	CP1030	JOISTED MASONRY CAUSES OF LOSS-SPECIAL INCL. THEFT 80% COINSURANCE REPLACEMENT COST		
002		SCHOOL 334 MAIN STREET MILLSBORO, DE 19966 PROTECTION CLASS 04		

PREMIUM for this Coverage Part \$ 802.01

FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART:

SEE 8-S-1018

MORTGAGE HOLDER:

REPRINT

CPP CP 08 7 2054275

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

*John A. Griffin*  
Authorized Representative

**COMMERCIAL PROPERTY COVERAGE PART  
SUPPLEMENTAL DECLARATIONS**

**POLICY NUMBER:** CPP 2054275

**DESCRIPTION OF PREMISES AND COVERAGES PROVIDED**

<b>Loc/ Bldg.</b>	<b>Form Number</b>	<b>Described Premises and Coverages</b>	<b>Limit of Insurance</b>	<b>Premium</b>
002-001	CP0010	YOUR BUSINESS PERSONAL PROPERTY FRAME	\$ 108,253	INCLUDED
	CP1030	CAUSES OF LOSS-SPECIAL INCL. THEFT 80% COINSURANCE REPLACEMENT COST		
003		SCHOOL ELLIS ALLEY SELBYVILLE, DE 19975 PROTECTION CLASS 04		
003-001	CP0010	YOUR BUSINESS PERSONAL PROPERTY JOISTED MASONRY	\$ 5,562	INCLUDED
	CP1030	CAUSES OF LOSS-SPECIAL INCL. THEFT 80% COINSURANCE REPLACEMENT COST		
	8E2637	EQUIPMENT BREAKDOWN COVERAGE		INCLUDED

FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART— CONTINUED:  
SEE 8-S-1018

POLICY NUMBER: CPP 2054275

COMMERCIAL AUTO LIABILITY  
 COMMERCIAL GENERAL LIABILITY  
 COMMERCIAL INLAND MARINE  
 COMMERCIAL PROPERTY  
 CRIME

## SUPPLEMENTAL DECLARATIONS

Named Insured: INDIAN RIVER SCHOOL DISTRICT

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:

FORM ----	EDITION -----	TITLE -----
IL0017	1198	COMMON POLICY CONDITIONS
CP0090	0788	COMMERCIAL PROPERTY CONDITIONS
CP0010	1091	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CP1218	1091	LOSS PAYABLE PROVISIONS
IL0985	0103	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT OF 2002
8E3389	0702	COMPUTER RELATED COVERAGE RESTRICTIONS
8E2637	0998	EQUIPMENT BREAKDOWN COVERAGE
CP0299	1185	CHANGES-CANCELLATIONS
IL0237	0498	DELAWARE CHANGES - TERMINATION PROVISIONS
8E2721	0798	EXCLUSION:COMPUTER AND OTHER ELECTRONIC-RELATED PROBLEMS
CP1030	1091	CAUSES OF LOSS-SPECIAL FORM
8E3365	1201	COVERAGE RESTRICTION FOR FUNGUS

POLICY NUMBER: CPP 2054275

COMMERCIAL PROPERTY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****LOSS PAYABLE PROVISIONS  
SUPPLEMENTAL SCHEDULE**

This endorsement modifies insurance provided under the following:

**LOSS PAYABLE PROVISIONS****SUPPLEMENTAL SCHEDULE**

Prem. No.	Bldg. No.	Description of Property	Loss Payee (Name & Address)	Provisions Applicable		
				Loss Payable	*Lender's Loss Payable	Contract Of Sale
1	1	CONTENTS	ASSOCIATES COMM CORP. ATTN: PUBLIC FINANCE DIVISION 300 E. CARPENTER FREEWAY 8PL IRVING, TX 75062-2726	X		
1	1	CONTENTS	CITICAPITAL COMMERCIAL CORPORATION PUBLIC FINANCE 300 E. CARPENTER FREEWAY- 8FL IRVING, TX 75062			

\*(Not applicable in Washington State)

## COMMERCIAL PROPERTY

## BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H - DEFINITIONS.

### A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### 1. Covered Property

Covered Property, as used in this Coverage Part, means the following types of property for which a Limit of Insurance is shown in the Declarations:

##### a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Permanently installed:
  - (a) Fixtures;
  - (b) Machinery; and
  - (c) Equipment;
- (3) Outdoor fixtures;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

##### b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property - Separation of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock;"
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

##### c. Personal Property of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.



**2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Piling, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of the building described in the Declarations;
- m. Underground pipes, flues or drains;
- n. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions;
- o. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
  - (b) Vehicles or self-propelled machines, other than autos, you hold for sale; or
  - (c) Rowboats or canoes out of water at the described premises;
- p. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas, including their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

**3. Covered Causes Of Loss**

See applicable Causes of Loss Form as shown in the Declarations.

**4. Additional Coverages****a. Debris Removal**

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) The most we will pay under this Additional Coverage is 25% of:
  - (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
  - (b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance section.
- (3) This Additional Coverage does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.

**b. Preservation of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 10 days after the property is first moved.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.



No Deductible applies to this Additional Coverage.

**d. Pollutant Clean Up and Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants." But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

**5. Coverage Extensions**

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

**a. Newly Acquired or Constructed Property**

(1) You may extend the insurance that applies to Building to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is 25% of the Limit of Insurance for Building shown in the Declarations, but not more than \$250,000 at each building.

(2) You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is 10% of the Limit

of Insurance for Your Business Personal Property shown in the Declarations, but not more than \$100,000 at each building.

(3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires.
- (b) 30 days expire after you acquire or begin to construct the property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

**b. Personal Effects and Property of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers and Records - Cost of Research**

You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Extension is \$1,000 at each described premises.

**d. Property Off-Premises**

You may extend the insurance provided by this Coverage Form to apply to your Covered Property, other than "stock," that is temporarily at a location you do not own, lease or operate. This Extension does not apply to Covered Property:

- (1) In or on a vehicle;
- (2) In the care, custody or control of your salespersons; or
- (3) At any fair or exhibition.

The most we will pay for loss or damage under this Extension is \$5,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas, signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant.

Each of these Extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. EXCLUSIONS**

See applicable Causes of Loss Form as shown in the Declarations.

**C. LIMITS OF INSURANCE**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Preservation of Property; or
2. Debris Removal; but if:
  - a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
  - b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

we will pay up to an additional \$5,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

**D. DEDUCTIBLE**

We will not pay for loss or damage in any one occurrence until the amount of loss or damage

exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance, after any deduction required by the Coinsurance condition or the Agreed Value Optional Coverage.

**E. LOSS CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**3. Duties In The Event Of Loss Or Damage**

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.

- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality.

- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

- c. We will not pay you more than your financial interest in the Covered Property.

- d. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- f. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if:

- (1) You have complied with all of the terms of this Coverage Part; and

- (2) (a) We have reached agreement with you on the amount of loss; or

- (b) An appraisal award has been made.

#### 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### 6. Vacancy

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage, we will:

- a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

- (1) Vandalism;
- (2) Sprinkler leakage, unless you have protected the system against freezing;
- (3) Building glass breakage;
- (4) Water damage;
- (5) Theft; or
- (6) Attempted theft.

- b. Reduce the amount we would otherwise pay for the loss or damage by 15%.

A building is vacant when it does not contain enough business personal property to conduct customary operations.

Buildings under construction are not considered vacant.

#### 7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d., e. and f. below.

- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

This provision does not apply to the following even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.

- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.



- d. Glass at the cost of replacement with safety glazing material if required by law.
- e. Tenant's Improvements and Betterments at:
  - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
 If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (3) Nothing if others pay for repairs or replacement.
- f. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
  - (1) Blank materials for reproducing the records; and
  - (2) Labor to transcribe or copy the records when there is a duplicate.

#### F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

##### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property. Instead, we will determine the most we will pay using the following steps:
  - (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
  - (2) Divide the Limit of Insurance of the property by the figure determined in step (1);

- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step (2); and

- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

##### Example No. 1 (Underinsurance):

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	\$100,000
The Deductible is	\$250
The amount of loss is	\$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$  (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$ 40,000 \times .50 = \$20,000$

Step (4):  $\$ 20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

##### Example No. 2 (Adequate Insurance):

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	\$200,000
The Deductible is	\$250
The amount of loss is	\$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$  (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$200,000 \div \$200,000 = 1.00$

Step (3):  $\$ 40,000 \times 1.00 = \$40,000$

Step (4):  $\$ 40,000 - \$250 = \$ 39,750$

We will cover the \$39,750 loss in excess of the Deductible. No penalty applies.

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

**Example No. 3:**

When:

The value of property is:	
Bldg. at Location No. 1	\$75,000
Bldg. at Location No. 2	\$100,000
Personal Property at Location No. 2	\$75,000
	<u>\$250,000</u>

The Coinsurance percentage for it is 90%

The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is \$180,000

The Deductible is \$1,000

The amount of loss is Bldg. at Location No. 2 \$30,000

Personal Property at Location No. 2. \$20,000  
\$50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$  (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

**2. Mortgage Holders**

- a. The term "mortgage holder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
  - (2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this Coverage Part will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

- (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgage holder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

**G. OPTIONAL COVERAGES**

If shown in the Declarations, the following Optional Coverages apply separately to each item.

**1. Agreed Value**

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

**2. Inflation Guard**

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

**Example:**

If:

The applicable Limit of Insurance is \$100,000

The annual percentage increase is 8%

The number of days since the beginning of the policy year (or last policy change) is 146

The amount of increase is  
 $\$100,000 \times .08 \times 146 \div 365 = \$3,200$

**3. Replacement Cost**

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Property of others;
  - (2) Contents of a residence;
  - (3) Manuscripts;
  - (4) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
  - (5) "Stock," unless the Including "Stock" option is shown in the Declarations.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do

so within 180 days after the loss or damage.

- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace, on the same premises, the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

**H. DEFINITIONS**

- 1. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 2. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.



## COMMERCIAL PROPERTY

**COMMERCIAL PROPERTY CONDITIONS**

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

**A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. CONTROL OF PROPERTY**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. INSURANCE UNDER TWO OR MORE COVERAGES**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**D. LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

**E. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**F. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**G. OTHER INSURANCE**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**H. POLICY PERIOD, COVERAGE TERRITORY**

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.



**I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

COMMERCIAL PROPERTY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CANCELLATION CHANGES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART**

The following is added to the CANCELLATION Common Policy Condition:

If any one of the following conditions exists at any building that is Covered Property in this policy, we may cancel this Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least 5 days before the effective date of cancellation.

A. The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

1. Seasonal unoccupancy;
2. Buildings in the course of construction, renovation or addition; or
3. Buildings to which the Vacancy Permit endorsement applies.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

B. After damage by a covered cause of loss, permanent repairs to the building:

1. Have not started, and
2. Have not been contracted for, within 30 days of initial payment of loss.

C. The building has:

1. An outstanding order to vacate;
2. An outstanding demolition order;
3. Been declared unsafe by governmental authority.

D. Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

E. Failure to:

1. Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
2. Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

## COMMERCIAL PROPERTY

**CAUSES OF LOSS - SPECIAL FORM**

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. - Definitions.

**A. COVERED CAUSES OF LOSS**

When Special is shown in the Declarations, Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations; that follow.

**B. EXCLUSIONS**

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**a. Ordinance or Law**

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

**b. Earth Movement**

- (1) Any earth movement (other than sink-hole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.
- (2) Volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic action results, we will pay for that resulting loss or damage.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

**e. Off-Premises Services**

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;

- (3) Water that backs up from a sewer or drain; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if loss or damage by fire, explosion or sprinkler leakage results, we will pay for that resulting loss or damage.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting loss or damage caused by elevator collision;
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

But if loss or damage by the "specified causes of loss" or building glass breakage results, we will pay for that resulting loss or damage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if loss or damage by fire or combustion explosion results, we will pay for that resulting loss or damage. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- f. Continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more.

- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or

- (2) You drain the equipment and shut off the supply if the heat is not maintained.

- h. Dishonest or criminal act by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or

- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- j. Rain, snow, ice or sleet to personal property in the open.

- k. Collapse, except as provided below in the Additional Coverage for Collapse. But if loss or damage by a Covered Cause of Loss results at the described premises, we will pay for that resulting loss or damage.



- I. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss." But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified causes of loss."
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.
  - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance;  
of part or all of any property on or off the described premises.

#### 4. Special Exclusions

**The following provisions apply only to the specified Coverage Forms.**

a. **Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form**

**We will not pay for:**

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock;" or
  - (b) The time required to reproduce finished stock."

**This exclusion does not apply to Extra Expense.**

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas, including their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations," due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations," we will cover such loss that affects your Business Income during the "period of restoration."
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration."
- (5) Any other consequential loss.

### b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a. Ordinance or Law, does not apply to insurance under this Coverage Form.**
- (2) We will not pay for any loss caused by:**
  - (a) Your cancelling the lease;**
  - (b) The suspension, lapse or cancellation of any license; or**
  - (c) Any other consequential loss.**

### c. Legal Liability Coverage Form

- (1) The following Exclusions do not apply to insurance under this Coverage Form:**
- (a) Paragraph B.1.a., Ordinance or Law;**
  - (b) Paragraph B.1.c., Governmental Action;**
  - (c) Paragraph B.1.d., Nuclear Hazard;**
  - (d) Paragraph B.1.e., Power Failure; and**
  - (e) Paragraph B.1.f., War and Military Action.**

**(2) Contractual Liability**

We will not defend any claim or "suit," or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.

**(3) Nuclear Hazard**

We will not defend any claim or "suit," or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**C. LIMITATIONS****1. We will not pay for loss of or damage to:**

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
  - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
  - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d. Building materials and supplies not attached as part of the building or structure, unless held for sale by you, caused by or resulting from theft, except as provided in C.5.a. below.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Gutters and downspouts caused by or resulting from weight of snow, ice or sleet.
- g. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay more for loss of or damage to glass that is part of a building or structure than \$100 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter. We will not pay more than \$500 for all loss of or damage to building glass that occurs at any one time.

This Limitation does not apply to loss or damage by the "specified causes of loss," except vandalism.

3. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- a. Valuable papers and records, such as books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell or other data processing, recording or storage media, and other records.
- b. Animals, and then only if they are killed or their destruction is made necessary.
- c. Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
  - (1) Glass that is part of a building or structure;
  - (2) Containers of property held for sale; or
  - (3) Photographic or scientific instrument lenses.
- d. Builders' machinery, tools, and equipment you own or that are entrusted to you, while away from the premises described in the Declarations, except as provided in paragraph C.5.b. below.

4. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- a. \$2,500 for furs, fur garments and garments trimmed with fur.

- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$2,500 for patterns, dies, molds and forms.
- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

#### 5. Builders' Risk Coverage Form Limitations

The following provisions apply only to the Builders' Risk Coverage Form.

- a. Limitation 1.d. is replaced by the following:
  - d. Building materials and supplies not attached as part of the building or structure caused by or resulting from theft.
- b. Limitation 3.d. is replaced by the following:
  - d. Builders' machinery, tools and equipment you own or that are entrusted to you.

- 6. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

#### D. ADDITIONAL COVERAGE - COLLAPSE

We will pay for loss or damage caused by or resulting from risks of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

- 1. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
- 2. Hidden decay;
- 3. Hidden insect or vermin damage;
- 4. Weight of people or personal property;
- 5. Weight of rain that collects on a roof;
- 6. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

We will not pay for loss or damage to the following types of property, if otherwise covered in this Coverage Part, under items 2., 3., 4., 5. and 6. unless the loss or damage is a direct result of the collapse of a building:

outdoor radio or television antennas, including their lead-in wiring, masts or towers; awnings, gutters and downspouts; yard fixtures; outdoor swimming pools; fences; piers,

wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways and other paved surfaces.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

This Additional Coverage will not increase the Limits of Insurance provided in this Coverage Part.

#### E. ADDITIONAL COVERAGE EXTENSIONS

- 1. **Property In Transit.** This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

- b. Loss or damage must be caused by or result from one of the following causes of loss:

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
- (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
- (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

- c. The most we will pay for loss or damage under this Extension is \$1000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.



2. **Water Damage, Other Liquids, Powder or Molten Material Damage.** If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

#### F. DEFINITIONS

"Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

1. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
  - a. The cost of filling sinkholes; or
  - b. Sinking or collapse of land into man-made underground cavities.
2. Falling objects does not include loss or damage to:
  - a. Personal property in the open; or
  - b. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
3. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

POLICY NUMBER: CPP 2054275

COMMERCIAL PROPERTY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 BUILDERS' RISK COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 STANDARD PROPERTY POLICY

### SCHEDULE

#### Provisions Applicable

Loss Payable	Lender's Loss Payable	Contract Of Sale
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Prem. No.	Bldg. No.	Description of Property
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Loss Payee (Name & Address)
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\*\*\*\*\*  
 \*\* SEE 8-E-2211 SCHEDULE \*\*  
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A. When this endorsement is attached to the STANDARD PROPERTY POLICY CP 00 99 the term Coverage Part in this endorsement is replaced by the term Policy.

The following is added to the LOSS PAYMENT Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:

#### B. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and

2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

#### **C. LENDER'S LOSS PAYABLE**

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:
  - a. Warehouse receipts;
  - b. A contract for deed;
  - c. Bills of lading;
  - d. Financing statements; or
  - e. Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
  - a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
  - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
  - c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
    - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
    - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
    - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
  - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

#### **D. CONTRACT OF SALE**

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
  - a. Adjust losses with you; and
  - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.



INTERLINE

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **DELAWARE CHANGES - TERMINATION PROVISIONS**

This endorsement modifies Insurance provided under the following:

COMMERCIAL CRIME - SAFE DEPOSITORY LIABILITY COVERAGE FORM M  
 COMMERCIAL CRIME - LIABILITY FOR GUESTS' PROPERTY PREMISES COVERAGE FORM L  
 COMMERCIAL CRIME - LIABILITY FOR GUESTS' PROPERTY SAFE DEPOSIT  
 BOX COVERAGE FORM K  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 FARM COVERAGE PART  
 LIQUOR LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 PROFESSIONAL LIABILITY COVERAGE PART

**A. With respect to the:**

Farm Property - Farm Dwellings, Appurtenant Structures and Household Personal Property Coverage Form; and Commercial Property Coverage Part;

If the policy covers a building that contains no more than 4 dwelling units, one of which is the insured's principal place of residence, or covers the insured's household personal property in a residential building, the following applies:

1. Paragraph 2. of the CANCELLATION Common Policy Condition is replaced by the following:
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation along with the reasons for cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.

After coverage has been in effect for more than 60 days or after the effective date of a renewal of this policy, no notice of cancellation will be issued by us unless it is based on at least one of the following reasons:

- (1) Nonpayment of premium;
- (2) Discovery of fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- (3) Discovery of willful or reckless acts or omissions on your part that increase any hazard insured against;

- (4) The occurrence of a change in the risk that substantially increases any hazard insured against after insurance coverage has been issued or renewed;
- (5) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any covered property or its occupancy that substantially increases any hazard insured against;
- (6) A determination by the Insurance Commissioner that the continuation of the policy would place us in violation of the Delaware insurance laws; or
- (7) Real property taxes owing on the insured property have been delinquent for two or more years and continue delinquent at the time notice of cancellation is issued.

**2. The following Condition is added:**

**NONRENEWAL**

- a. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 30 days before the expiration date, or the anniversary date if this is a policy written for a term of more than one year or with no fixed expiration date.
- b. Any notice of nonrenewal will include the reason(s) for nonrenewal and will be mailed or delivered to the first Named Insured at the last mailing address known to us.
- c. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. If CANCELLATION CHANGES CP 02 99 is attached to the Commercial Property Coverage Part, Paragraph E.2. of that form is replaced by the following:

2. Pay property taxes that are owing and have been outstanding for more than two years following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

**B. With respect to the:**

COMMERCIAL CRIME-	SAFE DEPOSITORY LIABILITY COVERAGE FORM M;
COMMERCIAL CRIME-	LIABILITY FOR GUESTS' PROPERTY PREMISES COVERAGE FORM L;
COMMERCIAL CRIME-	LIABILITY FOR GUESTS' PROPERTY SAFE DEPOSIT BOX COVERAGE FORM K;
COMMERCIAL	GENERAL LIABILITY COVERAGE FORM;
COMMERCIAL PROPERTY-	LEGAL LIABILITY COVERAGE FORM;
COMMERCIAL PROPERTY-	MORTGAGE HOLDER'S ERRORS AND OMISSIONS COVERAGE FORM;

EMPLOYMENT-RELATED PRACTICES  
LIABILITY COVERAGE FORM;  
FARM LIABILITY COVERAGE FORM;  
LIQUOR LIABILITY COVERAGE FORM;  
POLLUTION LIABILITY COVERAGE FORM;  
PRODUCTS/COMPLETED OPERATIONS  
COVERAGE FORM; and  
PROFESSIONAL LIABILITY COVERAGE FORM;

the following Condition is added and supersedes any other condition to the contrary:

**NONRENEWAL**

1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 60 days before the expiration date, or the anniversary date if this is a policy written for a term of more than one year or with no fixed expiration date.
2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us.
3. If notice of nonrenewal is mailed, it will be sent by certified mail.

POLICY NUMBER: CPP 2054275

IL 09 85 01 03

**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT OF 2002. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

## **DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT OF 2002**

### **SCHEDULE\***

**Terrorism Premium (Certified Acts)**  
**\$ 2%**

**Additional information, if any, concerning the terrorism premium:**

\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

#### **A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act of 2002, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under that Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

#### **B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

## COMMERCIAL PROPERTY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EQUIPMENT BREAKDOWN COVERAGE**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART**

**I. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is modified as follows:**

**A. The following are added to A.4. Additional Coverages:**

**1. Equipment Breakdown**

The term Covered Cause of Loss includes "equipment breakdown" as described and limited below.

a. We will pay for direct physical loss or damage to Covered Property caused by "equipment breakdown" to "covered equipment."

b. If an initial "equipment breakdown" causes other "equipment breakdowns," all will be considered one "equipment breakdown." All "equipment breakdowns" that are the result of the same event will be considered one "equipment breakdown."

**2. Perishable Goods**

a. We will pay for your loss of "perishable goods" due to the following:

(i) Spoilage; or

(ii) Contamination from the release of refrigerant, including but not limited to ammonia;

caused by an "equipment breakdown."

b. We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

c. If you are unable to replace the "perishable goods" before their anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time the loss occurred less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

**B. The following are added to A.5. Coverage Extensions and apply for any Coinsurance percentage shown in the Declarations:**

**1. Service Interruption**

The insurance provided for Business Income and Extra Expense, if shown in the Declarations as covered, and Perishable goods is extended to apply to loss caused by "equipment breakdown" to equipment that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

The most we will pay under this Extension for loss of Business Income and Extra Expense in any one occurrence is:

a. The actual loss of Business Income you sustain; and

b. The necessary Extra Expense you incur;

during the "period of restoration" that occurs within 12 consecutive months after the date of direct physical loss or damage.



**2. Expediting Expenses**

With respect to damaged Covered Property covered under Additional Coverages Equipment Breakdown and Perishable Goods, we will pay the reasonable extra cost to:

- a. Make temporary repairs;
- b. Expedite permanent repairs; and
- c. Expedite permanent replacement.

**C. The following is added to C. LIMITS OF INSURANCE:**

Payments under the following Additional Coverages and Coverage Extension will not increase the applicable Limit of Insurance:

1. Equipment Breakdown;
2. Perishable Goods; and
3. Service Interruption.

**II. Part B. EXCLUSIONS of the CAUSES OF LOSS - SPECIAL FORM is modified as follows:****A. The following is added to Exclusion B.1.g.(1)**

However, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property.

**B. As respects Equipment Breakdown Coverage, the last paragraph of Exclusion B.2.d. is replaced with the following:**

But if loss or damage by "equipment breakdown" results, we will pay for the loss or damage caused by that "equipment breakdown."

**C. As respects Equipment Breakdown Coverage, Exclusion B.2.i. is replaced with the following:**

Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by "equipment breakdown." But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in "equipment breakdown," we will pay for the loss or damage caused by that "equipment breakdown."

**D. As respects Equipment Breakdown Coverage, Exclusions B.2.a., B.2.d.(6), and B.2.e., and Limitations C.1.a. and C.1.b. do not apply.****E. For the insurance provided under Equipment Breakdown Coverage, the following additional Exclusion applies.**

We will not pay for loss or damage caused by or resulting from:

1. The breakdown of any structure, foundation, cabinet, compartment or air supported structure or building.
2. The breakdown of any buried vessel or buried piping.
3. The breakdown of any vehicle, excavation or construction equipment.

**F. As respects Service Interruption Coverage Extension, we will also not pay for loss or expense resulting from or arising out of "equipment breakdown" to any equipment that is located outside of a covered Building described in the Declarations caused by or resulting from "elemental perils."**

However, for the property and services covered under CP 15 45, if such endorsement is attached to this Coverage Part, this exclusion does not apply.

**III. As respects Equipment Breakdown Coverage, the following are added to COMMERCIAL PROPERTY CONDITIONS:****A. Suspension**

When any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from "equipment breakdown" to that equipment. We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or to the address where the equipment is located. Once suspended in this way, your insurance can be reinstated only by written notice from us. If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

**B. Jurisdictional Inspections**

If any property that is "covered equipment" requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

**IV. The Coinsurance Additional Condition and Agreed Value Optional Coverage, if otherwise applicable, do not apply for loss covered under this Equipment Breakdown Coverage endorsement.**



V. The following definitions are added:

A. "Covered equipment" means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

B. "Elemental perils" means the following:

Fire (including fire resulting from an "equipment breakdown"), lightning; explosion (except for steam or centrifugal explosion); windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; falling objects; and weight of snow, ice or sleet.

C. "Equipment breakdown":

1. Means:

- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- b. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

2. Does not mean:

- a. Any actual or alleged failure, malfunction or inadequacy of:
  - (1) Any of the following, whether belonging to the insured or to others:
    - (i) Computer hardware, including microprocessors;

- (ii) Computer application software or other electronic media and records;

- (iii) Computer operating systems and related software;

- (iv) Computer networks;

- (v) Microprocessors (computer chips) not part of any computer system; or

- (vi) Any other computerized or electronic equipment or components; or

- (2) Any other products, and any services, data or functions; whether belonging to or provided by the insured or others; that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph C.2.a.(1) above;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize dates in or after the year 2000.

- b. Your, or anyone on your behalf, providing or failing to provide advice, consultation, design, evaluation, inspection, installation, maintenance, repair, modification, replacement or supervision for the purpose of:

- (1) Defining, correcting or testing for any potential or actual problem described in paragraph C.2.a. above; or

- (2) Correcting any deficiencies or changing any features of any items described in paragraph C.2.a. above.

D. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION: COMPUTER AND OTHER  
ELECTRONIC-RELATED PROBLEMS  
(OTHER THAN LIABILITY)**

This endorsement modifies the insurance provided under the policy; and the following exclusions apply to all insurance provided under the policy:

- A. This insurance does not apply to any claim, injury, loss, damage, or damages (whether or not the form which describes the coverage defines such term or terms) caused directly or indirectly by, or arising directly or indirectly from or as a consequence of any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the claim, injury, loss, damage, or damages:
1. Actual or alleged failure, malfunction or inadequacy of:
    - a. Any of the following, whether belonging to the insured or to others:
      - (1) Computer hardware, including microprocessors;
      - (2) Computer application software or other electronic media and records;
      - (3) Computer operating systems and related software;
      - (4) Computer networks;
      - (5) Microprocessors (computer chips) not part of any computer system; or
      - (6) Any other computerized or electronic equipment or components; or
    - b. Any other products, and any services, data or functions; whether belonging to or provided by the insured or others; that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A. 1. a. of this endorsement; due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize dates in or after the year 2000.
  2. Your, or anyone on your behalf, providing or failing to provide any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, modification, replacement or supervision for the purpose of:
    - a. Defining, correcting or testing for any potential or actual problem described in Paragraph A.1. of this endorsement; or
    - b. Correcting any deficiencies or changing any features of any items described in Paragraph A.1. of this endorsement.
- B. If an excluded event as described in A. 1. or A. 2. above results:
1. In a Covered Cause of Loss under the Equipment Breakdown Coverage, the Commercial Crime Coverage Part, the Commercial Inland Marine Coverage Part, the Standard Property Policy, or the Homeowners-Home Office/Home Business Extension Endorsement, Section I Coverages;
  2. Under the Commercial Property Coverage Part or the Graphic Edge COP Coverage Form:
    - a. In a "specified cause of loss" under the Causes of Loss- Special Form or the Graphic Edge COP Coverage Form ; or
    - b. In a Covered Cause of Loss under the Causes of Loss-Basic Form or the Causes of Loss-Broad Form;

3. Under the Property Coverage Part of the Condominium Policy, Cooperative Apartment Policy, Homeowners Association Policy, Office Condominium Policy, Senior Housing Policy or Phased Living Facility Policy; in a "specified cause of loss";
4. Under the Businessowners Policy:
  - a. In a "specified cause of loss" under the Businessowners Special Property Coverage Form; or
  - b. In a Covered Cause of Loss under the Businessowners Standard Property Coverage Form; or

5. Under the Commercial Output Program Property Coverage Part, in a loss from **specified perils**;

we will pay only for the loss ("loss") or damage caused by such "specified cause of loss," Covered Cause of Loss or **specified perils**.

## COMMERCIAL PROPERTY

## COVERAGE RESTRICTION FOR FUNGUS, WET ROT, DRY ROT AND BACTERIA (CAUSES OF LOSS - SPECIAL FORM)

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART

- I. The following changes apply to the **Causes of Loss - Special Form** and supersede any other provision, modification or endorsement to the contrary:
  - A. The following Exclusion is added to part 1. of Section B. - **Exclusions**:  
**"Fungus", Wet Rot, Dry Rot And Bacteria**  
 Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.  
 But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".  
 This exclusion does not apply:
    1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
    2. To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.
  - B. The following replaces item (2) under exclusion 2.d. of Section B. - **Exclusions**:  
 (2) Rust or other corrosion, decay, contamination, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
  - C. The following replaces exclusion 2.f. of Section B. - **Exclusions**:  
 f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- D. The following Additional Coverage is added to Section D. - **Additional Coverages**:  
**Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**
  1. The coverage described in 2. and 6. below only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
    - a. A "specified cause of loss" other than fire or lightning;
    - b. Flood, if the Flood Coverage Endorsement applies to the affected premises;
    - c. Flood, Mudslide or Mudflow, if the Flood, Mudslide or Mudflow Endorsement applies to the affected premises; or
    - d. Surface water, overflow of a river, stream, or other body of water, or water that backs up or overflows from a sewer, drain or sump, if such cause of loss is provided by any endorsement that applies to the affected premises.
  2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
    - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;



- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage described under 2. above of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of:
- a. "Specified causes of loss" (other than fire or lightning);
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises;
  - c. Flood, Mudslide or Mudflow, if the Flood, Mudslide or Mudflow Endorsement applies to the affected premises;
  - d. Surface water, overflow of a river, stream, or other body of water, and water that backs up or overflows from a sewer, drain or sump, if such cause of loss is provided by any endorsement that applies to the affected premises;
- which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

- 5. The terms of this Limited Coverage do not increase or reduce the coverage provided under the Additional Coverage - **Collapse** or under the Additional Coverage Extension, **Water Damage, Other Liquids, Powder Or Molten Material Damage**, of this Causes Of Loss - Special Form.
- 6. The following, a. or b., applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage form.
  - a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.
- E. The following definition is added to the **Definitions** Section:  
 "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.



II. The following changes apply to the **Building and Personal Property Coverage Form** if your policy includes **Ordinance Or Law Coverage**:

A. We will not pay under **Coverage For Loss To The Undamaged Portion Of The Building, Demolition Cost Coverage, or Increased Cost Of Construction Coverage** for the following:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

B. The following definition is added to the **Definitions Section**:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.



COMMERCIAL PROPERTY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMPUTER RELATED COVERAGE RESTRICTIONS**

This endorsement modifies insurance provided by the Commercial Property Coverage Part. The changes described in this endorsement supersede any other provision or coverage modification to the contrary and apply to those Coverage Forms listed below if they are included with your policy.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM  
EXTRA EXPENSE COVERAGE FORM  
CAUSES OF LOSS - SPECIAL FORM

**I. The following changes apply to the Building and Personal Property Coverage Form:**

**A. Under Section A. - Coverage:**

**1. Property Not Covered is revised as follows:**

- a. Deeds is deleted.
- b. The part regarding the cost to research, replace or restore the information on valuable papers and records including those which exist on electronic or magnetic media is replaced by the following:

The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data.

**c. The following is added:**

Electronic data, except as provided under Additional Coverages - Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment.

The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This provision does not apply to your "stock" of prepackaged software.

2. The following is added to **Additional Coverages:**

**Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered - Electronic Data.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage - Electronic Data, subject to the following:
  - (a) If the Causes of Loss - Special Form applies, coverage under this Additional Coverage - Electronic Data is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
  - (b) If the Causes of Loss - Broad Form applies, coverage under this Additional Coverage - Electronic Data includes Collapse as set forth in that Form.
  - (c) If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage - Electronic Data.

(d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage - Electronic Data is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

3. Under Coverage Extensions, the following replaces **Valuable Papers And Records - Cost Of Research:**  
**Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the Insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered - Electronic Data.



(2) If the Causes of Loss - Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.

(3) If the Causes of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that Form.

(4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

B. Under Section G. - **Optional Coverages**, the reference to Manuscripts under **Replacement Cost** does not apply.

C. Under Section E. - **Loss Conditions**, the provision for Valuable Papers And Records under **Valuation** does not apply.

II. The following changes apply to the **Business Income (And Extra Expense) Coverage Form** and the **Business Income (Without Extra Expense) Coverage Form**:

A. Under Section A. - **Coverage**, the following is added:

**Additional Limitation - Interruption of Computer Operations**

1. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage - Interruption of Computer Operations.
2. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage - Interruption of Computer Operations.

3. **Electronic data** means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment.

The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

B. The following is added to **Additional Coverages**:

**Interruption of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation - Interruption of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
  - (a) If the Causes of Loss - Special Form applies, coverage under this Additional Coverage - Interruption of Computer Operations is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
  - (b) If the Causes of Loss - Broad Form applies, coverage under this Additional Coverage - Interruption of Computer Operations includes Collapse as set forth in that Form.
  - (c) If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage - Interruption of Computer Operations.



- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage - Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage - Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.
- C. Under Section D. - Loss Conditions, the provision, **Limitation - Electronic Media And Records** does not apply.

III. The following changes apply to Section A. - **Coverage of the Extra Expense Coverage Form:**

A. The following is added:

**Additional Limitation - Interruption of Computer Operations**

1. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage - Interruption of Computer Operations.

2. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment.

The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

B. The following is added to **Additional Coverages:**

**Interruption of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation - Interruption of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

- (a) If the Causes of Loss - Special Form applies, coverage under this Additional Coverage - Interruption of Computer Operations is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
  - (b) If the Causes of Loss - Broad Form applies, coverage under this Additional Coverage - Interruption of Computer Operations includes Collapse as set forth in that Form.
  - (c) If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage - Interruption of Computer Operations.
  - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage - Interruption of Computer Operations is \$2,500 for all loss sustained in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss sustained as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss in a subsequent policy year(s), all loss is deemed to be sustained in the policy year in which the interruption began.

- (5) This Additional Coverage - Interruption of Computer Operations does not apply to loss sustained after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

IV. The following changes apply to the Commercial Property Coverage Part:

- A. In the **Causes Of Loss - Special Form**, under **Section C. - Limitations**, the provision for valuable papers and records does not apply.
- B. If your policy includes **Equipment Breakdown Coverage**, we will not pay under **Equipment Breakdown Coverage** for any of the following:
  - 1. Loss of or damage to any electronic data;
  - 2. The cost to replace or restore information on any valuable papers and records including those which exist as electronic data; or
  - 3. Interruption of Computer Operations.

Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

## **POLICYHOLDERS NOTICE**

THIS POLICYHOLDERS NOTICE PROVIDES A SUMMARY OF RECENT COVERAGE CHANGES THAT APPLY TO YOUR POLICY. THIS NOTICE PROVIDES NO COVERAGE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. FOR COMPLETE INFORMATION ON THE COVERAGES YOU HAVE, READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

PLEASE READ THIS NOTICE CAREFULLY.

**THIS NOTICE PERTAINS TO RESTRICTIONS OF COVERAGE FOR CLAIMS DUE TO FUNGUS, FUNGI, BACTERIA, WET ROT OR DRY ROT.**

### **If Your Policy Includes Liability Coverage**

Your policy contains the following changes:

#### **Reductions In Coverage**

- An endorsement was added which excludes coverage for any claim or suit that alleges loss from or because of contact with or exposure to any fungi or bacteria. Also excluded are any costs or expenses arising out of the testing for, treating, cleaning up or disposing of any fungi or bacteria.

### **If Your Policy Includes Other Than Liability Coverage**

Your policy contains the following changes:

#### **Reductions In Coverage**

- An endorsement was added which excludes coverage for loss or damage due to fungus, wet rot, dry rot and bacteria. This exclusion does not apply when fungus, wet rot, dry rot or bacteria results from fire or lightning or to the extent that coverage is provided in the endorsement's Limited Coverage For Fungus, Wet Rot, Dry Rot And Bacteria. This Limited Coverage provides \$15,000 coverage for loss or damage from fungus, wet rot, dry rot or bacteria for the term of the policy, regardless of the number of claims. Such loss or damage must be the result of one or more of the causes of loss described in the endorsement as applicable to the affected premises. The \$15,000 does not increase the amount of insurance on the affected property and represents a reduction in coverage.
- Under business interruption coverage (provided that a particular policy includes such coverage), when a business interruption is attributable to fungus, the period of restoration is limited to 30 days (not necessarily consecutive days). When fungus prolongs a business interruption that is attributable to other damage, a delay of up to a total of 30 days is covered (regardless of when the delay occurs during the period of restoration). In each case, the 30-day period represents a reduction in coverage.

#### **Potential Reduction Of Coverage**

- **Exclusion Of Continuous Or Repeated Seepage Or Leakage Of Water Or Steam  
(CP 10 10, CP 10 20, CP 10 30, CP 00 99)**

This exclusion has been revised by adding reference to the presence or condensation of humidity, moisture or vapor. Under certain circumstances this could be viewed as a reduction in coverage. The exclusion addresses conditions that persist over a period of 14 or more days.

Please consult with your agent or broker if you have any questions.



**Utica National Insurance Group**

Insurance that starts with you.

Utica Mutual Insurance Company and its affiliated companies, New Hartford, N.Y. 13413




THIS NOTICE WITH THE COVERAGE FORM(S), DECLARATIONS PAGE AND  
ENDORSEMENT(S), IF ANY, COMPLETES YOUR POLICY.

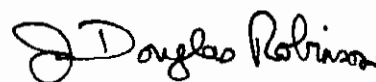
**Mutuals - Participation Clause Without Contingent Liability:** No Contingent Liability: This policy is non-assessable. The policyholder is a member of the company and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, in the distribution of dividends so fixed and determined.

**GRAPHIC ARTS MUTUAL INSURANCE COMPANY**

**Mutuals - Membership and Voting Notice:** The insured is notified that by virtue of this policy, he is a member of Graphic Arts Mutual Insurance Company of New Hartford, New York, and is entitled to vote either in person or by proxy at any and all meetings of said Company. The Annual Meetings are held in its Home Office, New Hartford, New York, on the fourth Monday of February, in each year, at 1:30 o'clock P.M.

**IN WITNESS WHEREOF,** the Graphic Arts Mutual Insurance Company has caused this policy to be signed by its president and secretary at New Hartford, New York, and countersigned on the declarations page by a duly authorized representative of the Company.

  
Secretary

  
President



GRAPHIC ARTS MUTUAL INSURANCE CO.  
180 GENESEE STREET  
NEW HARTFORD, NY 13413

R3897  
THE L & W AGENCY  
P O BOX 918  
DOVER, DE 19904  
(302) 674-3500

POLICY NUMBER: CPP 2054275

NAMED INSURED: INDIAN RIVER SCHOOL DISTRICT

ADDRESS: R.D. #2 BOX 236  
FRANKFORD, DE 19945

FORM OF BUSINESS: ORGANIZATION OTHER THAN PARTNERSHIP OR JOINT VENTURE

BUSINESS DESCRIPTION: PUBLIC SCHOOL SYSTEM

POLICY PERIOD: FROM 08-01-04 TO 08-01-05 12:01 A.M. Standard Time at your address shown above.

In return for the payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

### COMMERCIAL GENERAL LIABILITY COVERAGE PART — DECLARATIONS

#### LIMITS OF INSURANCE

General Aggregate Limit (Other Than Products-Completed Operations)	\$	2,000,000
Products-Completed Operations Aggregate Limit	\$	2,000,000
Personal and Advertising Injury Limit	\$	1,000,000
Each Occurrence Limit	\$	1,000,000
Fire Damage Limit (Any One Fire)	\$	50,000
Medical Expense Limit (Any One Person)	\$	5,000

LOCATIONS OF ALL PREMISES OTHER THAN THE ADDRESS SHOWN ABOVE WHICH YOU OWN, RENT OR OCCUPY ARE LISTED ON COMMERCIAL GENERAL LIABILITY DECLARATIONS—CONTINUED

FORMS AND ENDORSEMENTS APPLYING  
TO THIS COVERAGE PART:

SEE 8-S-1018

ADVANCE PREMIUM \$ 57,370.00

TOTAL ADVANCE PREMIUM \$ 57,370.00

  
Company Officer

REPRINT

CPP CG 08 7 2054275

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

POLICY NUMBER: CPP 2054275

COMMERCIAL AUTO LIABILITY  
 COMMERCIAL GENERAL LIABILITY  
 COMMERCIAL INLAND MARINE  
 COMMERCIAL PROPERTY  
 CRIME

## SUPPLEMENTAL DECLARATIONS

Named Insured: INDIAN RIVER SCHOOL DISTRICT

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:

FORM -----	EDITION -----	TITLE -----
8E1687	01/04	EDUCATIONAL INST. COV.(EXCLUDING STUDENT MEDICAL EXPENSES)
CG2147	10/93	EMPLOYMENT RELATED PRACTICES EXCLUSION
CG2013	11/85	ADDITIONAL INSURED-STATE OR POLITICAL SUBDIVISIONS-PERMITS R
8E1497	09/98	LIMITED FOREIGN COVERAGE ENDORSEMENT
CG2010	10/93	ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS (FORM B)
CG2018	11/85	ADDITIONAL INSURED - MORTGAGEE, ASSIGNEE, OR RECEIVER
8E2720	07/98	LIABILITY EXCLUSION: COMPUTER AND OTHER ELECTRONIC-RELATED P
CG2267	10/93	CORPORAL PUNISHMENT
CG2018	11/85	ADDITIONAL INSURED - MORTGAGEE, ASSIGNEE, OR RECEIVER
8D1213	07/01	SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY INSURANCE DECL
8C1213	01/04	SDELL COVERAGE FORM
8D1848	09/99	ABUSE OR MOLESTATION LIABILITY COVERAGE PART(INCLUDING SEXUA
8C1848	11/01	ABUSE OR MOLESTATION LIABILITY COVERAGE FORM
8E1782	08/03	EXCLUSION - LEAD LIABILITY EXCLUSIONS
8E2370	09/96	ABUSE OR MOLESTATION EXCLUSION
8E3345	12/01	FUNGI OR BACTERIA EXCLUSION
8E3366	01/02	ASBESTOS EXCLUSION
8E1657	07/01	SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY ADDITIONAL DEF
CG0062	12/02	WAR LIABILITY EXCLUSION
8E3390	07/02	GENERAL LIABILITY REVISION ENDORSEMENT
8E3124	11/99	POLLUTION EXCLUSION - PERSONAL AND ADVERTISING INJURY LIABIL
CG0054	03/97	AMENDMENT OF POLLUTION EXCLUSION-EXCEPTION FOR BUILDING HEAT
CG0055	03/97	AMENDMENT OF OTHER INSURANCE CONDITION (OCCURRENCE VERSION)
IL0017	11/98	COMMON POLICY CONDITIONS
IL0021	04/98	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
IL0237	04/98	DELAWARE CHANGES - TERMINATION PROVISIONS
CG0001	10/93	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
IL0985	01/03	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT OF 2002

## COMMERCIAL GENERAL LIABILITY DECLARATIONS-CONTINUED

PAGE

3

POLICY NUMBER: CPP 2054275

Item No.	Locations/Classifications	Code No. St.-Terr.	Premium Basis	Rates		Advance Premium	
				OTHER	PR/CO	OTHER	PR/CO
001A	SCHOOLS - PUBLIC - ELEMENTARY, KINDER- GARTEN OR JUNIOR HIGH - INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS  S/S OF 381 A ROXANNA DE  EAST MILLSBORO ELEM & LONGNECK ELEM MILLSBORO DE  FRANKFORD ELEM FRANKFORD DE  GEORGETOWN ELEM GEORGETOWN DE  LORD BALTIMORE ELEM OCEAN VIEW DE  PHILLIP SHOWELL ELEM SELBYVILLE DE  SELBYVILLE MIDDLE SELBYVILLE DE  SUSSEX CENTRAL MIDDLE MILLSBORO DE  INDIAN RIVER HIGH FRANKFORD DE  SUSSEX CENTRAL HIGH GEORGETOWN DE  HOWARD T ENNIS SCH GEORGETOWN DE  SEE CM7900 FRANKFORD DE  334 MAIN STREET MILLSBORO, DE  #4 ELLIS ALLEY SELBYVILLE, DE  RD 6 BOX 1000 GEORGETOWN, DE	47471 DE-001	PUPILS 5453	PER	PUPIL	INCLUDED	
002A	GRANDSTANDS OR BLEACHERS - NOT-FOR- PROFIT ONLY - INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS	44194 DE-001	GRANDSTANDS 4	PER	GRANDSTAND	INCLUDED	
				Total Advance Other and PR/CO			
				TOTAL ADVANCE PREMIUM			

ITEM LETTER CODE

A=HAZARD  
B=FORM  
C=FLAT CHARGE

## COMMERCIAL GENERAL LIABILITY DECLARATIONS-CONTINUED

PAGE

4

POLICY NUMBER: CPP 2054275

Item No.	Locations/Classifications	Code No. St.-Terr.	Premium Basis	Rates OTHER PR/CO		Advance Premium OTHER PR/CO	
003A	SCHOOLS - PUBLIC - HIGH - INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS	47473 DE-001	PUPILS 1808	PER	PUPIL	INCLUDED	
004A	SWIMMING POOLS - NOC - PRODUCTS - COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT	48925 DE-001	SWIMMING POOLS 1	PER	SWIMMING POOLS	INCLUDED	
005A	VACANT LAND - NOT-FOR-PROFIT ONLY - PRODUCTS - COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT  EAST SIDE OF NORTH BEDFORD ST GEORGETOWN DE  R D SELBYVILLE DE  RD LONG NECK  RD DAGSBORODE	49452 DE-001	ACRES 246	PER	ACRE	INCLUDED	
006A	SCHOOLS - FACULTY LIABILITY FOR CORPORAL PUNISHMENT OF PUPILS - PRODUCTS - COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT  CG2267	47469 DE-001	FACULTY MEMBER 436	PER	FACULTY MEMBER	INCLUDED	
020B	CG2010 ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS (FORM B)	49950 DE-001				INCLUDED	
035B	8D1213 SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY INSURANCE DECLARATIONS	47471 DE-001				INCLUDED	
037B	8D1848 ABUSE OR MOLESTATION LIABILITY COVERAGE PART (INCLUDING SEXUAL MISCOND	41714 DE-001				INCLUDED	

ITEM LETTER CODE

A=HAZARD  
B=FORM  
C=FLAT CHARGE

Total Advance Other and PR/CO

TOTAL ADVANCE PREMIUM



## COMMERCIAL GENERAL LIABILITY DECLARATIONS-CONTINUED

PAGE

5

POLICY NUMBER: CPP 2054275

Item No.	Locations/Classifications	Code No. St.-Terr.	Premium Basis	Rates		Advance Premium	
				OTHER	PR/CO	OTHER	PR/CO
066B	8E1657 SCHOOL DISTRICT AND EDUCATORS LEGAL LIAB ILITY ADDITIONAL DEF ENSE COVE	47471 DE-001				INCLUDED	

ITEM LETTER CODE

A=HAZARD  
B=FORM  
C=FLAT CHARGE

Total Advance Other and PR/CO \$ 57,370

TOTAL ADVANCE PREMIUM \$ 57,370

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EDUCATIONAL INSTITUTION COVERAGE  
ENDORSEMENT  
(EXCLUDING STUDENT MEDICAL EXPENSES)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

With respect to the operation of any educational institution by you or on your behalf the insurance is amended as follows:

**A. NEW JERSEY LAWS**

The following applies only to a policy issued to an insured for exposures which exist in New Jersey:

Such insurance as is afforded by the Policy applies to the obligations imposed upon you by N.J.S.A. 18A: 12-20; 18A: 16-6; and if permitted by law, 18A: 16-6.1.

**B. STATE OF NEW YORK LAWS**

The following applies only to a policy issued to an insured for exposures which exist in the State of New York:

Such insurance as is afforded by the Policy applies:

1. To the obligations imposed upon you by Sections 3023, 3028, 3811 of the Education law of the State of New York; and
2. To the obligations imposed upon you by Section 18 of the Public Officers Law of the State of New York, if you have elected, in accordance with the law, to come within its purview.

**C. STUDENT MEDICAL EXPENSE EXCLUSION**

The following exclusion is added to COVERAGE C (SECTION I):

We will not pay expenses for "bodily injury" to your student.

**D. HOSPITAL EXCLUSION**

The following exclusion is added to COVERAGES A and B (SECTION I):

If the educational institution owns or operates a clinic or hospital, this insurance does not apply to "bodily injury," "property damage," "personal injury" or "advertising injury" caused by:

a. The rendering or failure to render:

- (1) Medical, surgical, dental, x-ray or nursing service or treatment, or the related furnishing of food or beverages;
- (2) Any health or therapeutic service, treatment, advice or instruction; or
- (3) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming.

b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or

c. The handling or treatment of dead bodies, including autopsies, organ donation or other procedures.

The term clinic as used in this endorsement does not include an infirmary with facilities only for lodging and treatment of students.

**E. EXTENDED BODILY INJURY COVERAGE**

Exclusion a. of COVERAGE A (SECTION I) is replaced by the following:

a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" resulting from:

- (1) The use of reasonable physical force to protect oneself or other persons from physical injury;
- (2) The use of reasonable physical force to protect the property of the educational institution or others; or

(3) The use of reasonable physical force to restrain or remove a pupil whose behavior is interfering with the orderly exercise and performance of educational institution functions, powers and duties, if that pupil has refused to comply with a request to refrain from further disruptive acts.

b. The following is added to and applies only to a policy issued to an insured for exposures which exist in New Jersey:

(4) The use of force which is reasonable and necessary:

- (a) To quell a disturbance, threatening physical injury to others; and/or
- (b) To obtain possession of weapons or other dangerous objects upon the person or within the control of a pupil; and/or
- (c) For the purpose of self-defense.

c. The following is added, and applies only to a policy issued to an insured for exposures which exist in Georgia:

(4) Corporal punishment administered to a student by a teacher, principal, or other executive or administrative official of the school or school punishment is:

- (a) Administered without malicious intent and without intent to cause injury; and
- (b) Administered in compliance with the school's or the school district's regulations governing corporal punishment.

**F. BODILY INJURY OR PROPERTY DAMAGE FROM POLLUTION - EDUCATIONAL INSTITUTION ACTIVITIES WITHIN BUILDINGS**

The following replaces subparagraph (1)(a) of Exclusion f. (SECTION I) except for exposures which exist in the state of Vermont:

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, except for building operations, maintenance or repair, this exclusion does not apply to "bodily injury" or "property damage" arising from activities and functions that are characteristic of, or distinctive to any educational institution curriculum or program which occur within buildings on educational institution premises of any insured.

**G. AIRCRAFT, AUTO OR WATERCRAFT EXCLUSION REVISED (PROVIDES CERTAIN COVERAGES FOR NONOWNED WATERCRAFT AND MODEL AIRCRAFT)**

Exclusion g. of COVERAGE A (SECTION I) is replaced by the following:

**g. Aircraft, Auto or Watercraft**

"Bodily Injury" or "property damage" arising out of the ownership, maintenance, operation, use, "loading or unloading" or entrustment to others of any aircraft, "auto" or watercraft that is owned, operated or hired by, or rented or loaned to, any insured. For the purpose of this exclusion, the word hired includes any contract to furnish transportation of students to and from schools.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) An aircraft that is :

- (a) Hired, chartered or loaned to an insured with a paid crew; and
- (b) Not owned by an insured;

(2) A watercraft while ashore on premises you own or rent;

(3) A watercraft you do not own that is:

- (a) Not being used to carry persons or property for a charge which is intended to make a profit for your educational institution; and
- (b) Not being used to furnish transportation of your students to and from schools.

Exceptions (1) and (3) to this exclusion g. do not apply, and exclusion g. is fully applicable, to any aircraft or watercraft to which any other insurance covering "bodily injury" or "property damage" is available to the insured. This is so whether the other insurance applies on a primary, excess, contingent or any other basis, except for any insurance specifically written as excess over this insurance.



- (4) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (5) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (6) "Bodily Injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph e.(1), f.(2) or f.(3) of the definition of "mobile equipment."

With respect to (5) above, "insured contract" does not include any contract to furnish transportation of your students to and from schools

As used in this exclusion, aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.

#### **H. EXTENDED PROPERTY DAMAGE COVERAGE**

- a. With respect to property in your care, custody or control, the following is added to Exclusion j. of COVERAGE A (SECTION I): Paragraph (4) of this exclusion applies only to:

- (a) Liability assumed by you under any contract or agreement; or
- (b) "Property damage" to property which is:
  - (i) Owned or occupied by or rented to you; or
  - (ii) Held by you for sale or entrusted to you for storage or safe keeping.

Part (ii) does not apply to "property damage" arising from the use of elevators.

- b. Exclusion j.(4) under SECTION I - COVERAGE A. applies as follows:

- (i) This exclusion always applies to "property damage" to property of others which occurs at premises you own, rent or control.
- (ii) With respect to "property damage" to personal property of others which occurs away from premises you own, rent or control, this exclusion will apply only when the "property damage" is:
  - (a) To property which you have contracted to install;
  - (b) The direct result of the property being raised, lowered or otherwise moved by a crane;
  - (c) To "mobile equipment" or an "auto;"

- (d) To that particular part of property which you are attempting to service or repair; or

- (e) Covered by other insurance which will pay for the "property damage."

- c. The following are added to exclusion j. **SECTION I - COVERAGE A.:**

- (1) Paragraphs (3), (4) and (6) of exclusion j. of SECTION I - COVERAGE A do not apply to the use of elevators.

- (2) Paragraph (4) of this exclusion does not apply to "property damage," to borrowed equipment while not being used to perform operations at the job site.

This extended property damage liability coverage shall be excess insurance over any valid and collectible property insurance (including any deductible portion thereof) available to the insured. This applies to insurance such as, but not limited to, fire, extended coverage, builder's risk coverage or installation risk coverage. The other insurance condition of the policy is amended accordingly.

#### **I. PERSONAL AND ADVERTISING INJURY - CONTRACTUAL LIABILITY**

Exclusion 2.a.(4) of COVERAGE B (SECTION I) is replaced by the following:

- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages:
  - (a) Assumed in a contract or agreement that is an "insured contract," provided the offense causing the "personal injury" or "advertising injury" was committed subsequent to the execution of the contract or agreement; or
  - (b) That the insured would have in the absence of the contract or agreement.

#### **J. FIRE, LIGHTNING OR EXPLOSION DAMAGE**

- a. The last paragraph of COVERAGE A. (SECTION I) (after the exclusions) is replaced by the following:

Exclusions c. through n. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in SECTION III - LIMITS OF INSURANCE.

- b. Paragraph 6. of SECTION III - LIMITS OF INSURANCE is replaced by the following:



6. Subject to 5. above, the most we will pay under **COVERAGE A** for damages because of "property damage" to premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire, lightning strike or explosion is the greater of:

- (1) \$500,000; or
- (2) The Fire Damage Limit shown in the Declarations.

The Fire Damage Limit applies to all loss or damage caused by or resulting from fire, lightning, or explosion; or any combination of these causes in a single incident.

- c. Paragraph 4.b.(2) of **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is replaced by the following:

- (2) That is Fire and Extended Coverage insurance for premises rented to you or temporarily occupied by you with permission of the owner; or

#### K. SUPPLEMENTARY PAYMENTS

Under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**:

- a. The paragraph related to bail bonds is replaced by the following which increases the limit:

Up to \$2,500 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

- b. The paragraph related to reasonable expenses incurred by the insured at our request is replaced by the following which increases the limit:

All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$500 a day because of time off from work

#### L. WHO IS AN INSURED (ADDS A LIMITED LIABILITY COMPANY, APPOINTED OR ELECTED OFFICIALS, VOLUNTEERS, STUDENTS FOR CERTAIN ACTIVITIES AND AUXILIARY INSTRUCTORS)

The following replaces **SECTION II - WHO IS AN INSURED**:

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members and your managers are also insureds, but only with respect to conduct of your business.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an insured:
  - a. Your "employees," other than your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your members or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
  - b. Your volunteer workers and students who participate in internships, school-to-work or other similar programs, but only while acting:
    - (1) Under your direction and within the scope of duties for you; or
    - (2) Under your curriculum requirements. When used in this Coverage Form, "volunteer workers" and "students who participate in internships, school-to-work or other similar programs" means a person who is not paid a fee, salary, or other remuneration
  - c. Auxiliary instructors for any insured, but only while acting under the direction of, and within the scope of duties for such insured.

However, no "employee," volunteer worker, auxiliary instructor or your members or your managers (if you are a limited liability company) is an insured for:

- (1) "Bodily injury" or "personal injury":
  - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members or your managers (if you are a limited liability company), or to a co-"employee," co-volunteer or co-instructor while that co-"employee," co-volunteer or co-instructor is either in the course of his or her employment or while performing duties related to the conduct of your business or your curriculum requirements;
  - (b) To the spouse, child, parent, brother or sister of that co-"employee," co-volunteer or co-instructor as a consequence of paragraph (1)(a) above; or
  - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (1)(b) above.
- (2) "Property damage" to property owned, occupied or used by, rented or over which physical control is being exercised for any purpose by:
  - (a) Any of your "employees," volunteers or instructors; or
  - (b) You, or if you are a partnership or joint venture, any partner or member;
  - (c) Any member or manager if you are a limited liability company.
- d. Any of the following, but only with respect to their duties in connection with the positions described below:
  - (1) Any of your appointed or elected administrative officials;
  - (2) Any of your trustees or members of your Board of Governors if you are a private charitable or educational institution;
  - (3) Any of your board members or commissioners if you are a public board or commission; or
  - (4) Any student teachers teaching as part of their educational requirements.
- e. Any person (other than your "employee"), or any organization while acting as your real estate manager.
- f. Any person or organization having proper temporary custody of your property if you die, but only:
  - (1) With respect to liability arising out of the maintenance or use of that property; and
  - (2) Until your legal representative has been appointed.
- g. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
- 3. As used in this endorsement, the term auxiliary instructor means any person acting in a teaching capacity who is neither an employee of nor a volunteer for an insured.
- 4. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
  - a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
  - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.
- 5. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
  - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and



- c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

6. a. Any organization, not shown in the Declarations as a Named Insured, which is a legally incorporated entity, if you own more than 50% of the outstanding securities representing the present right to vote for the election of its directors; or
- b. Any organization, not shown in the Declarations as a Named Insured, which is a legally incorporated entity, if more than 50% of the outstanding securities representing the present right to vote for the election of its directors is owned by an organization described in paragraph 6.a. above; is also an insured.

The insurance afforded under paragraphs 6.a. and 6.b. applies only if no other insurance of any kind is available to such entity for this kind of liability.

**M. ADDITIONAL INSUREDS - BY CONTRACT, AGREEMENT OR PERMIT - INCLUDING LESSOR OF LEASED EQUIPMENT, OWNER OF LEASED LAND, MANAGERS OR LESSORS OF PREMISES, ENGINEERS, ARCHITECTS AND SURVEYORS AND VENDORS**

The following is added to SECTION II - WHO IS AN INSURED:

**a. Additional Insureds - By Contract, Agreement or Permit**

- (1) Any person or organization with whom you have entered into a written contract, agreement or permit requiring you to provide insurance such as is afforded by this Commercial General Liability Coverage Form will be an additional insured, but only with respect to liability arising out of your ongoing operations, "your work," or property owned or used by, or rented or leased to, you. The insurance afforded any additional insured under this paragraph M.a.(1) will be subject to all applicable exclusions or limitations described in paragraphs M.b.(1), (2), (3) and (4) and in M.c.(1), (2), (3), (4), (5), (6) and (7) below.

- (2) Such insurance as is provided by paragraph M.a.(1) for any additional insured will be primary, if so required by the written contract, agreement or permit. Any other insurance available to such person or organization shall be excess over this insurance.

The Limits of Insurance applicable to the additional insureds are those specified in the written contract or agreement or in the Declarations for this policy, whichever is less. These Limits of Insurance are inclusive of and not in addition to the Limits of Insurance shown in the Declarations.

- (3) A person's or organization's status as an additional insured in connection with a written contract, agreement or permit under paragraphs M.a.(1), (2) and (3) ends when your operations for that additional insured are completed or the written contract, agreement or permit is terminated or expires.

**b. Additional Exclusions or Limitations**

**(1) Lessor of Leased Equipment**

If an equipment lessor is an additional insured as a result of the provisions of paragraphs M.a.(1), (2) and (3) above, the following additional exclusion applies:

This insurance does not apply to "bodily injury" or "property damage" arising out of the sole negligence of such additional insured.

**(2) Owner of Leased Land**

If an owner or other interest from whom land has been leased is an additional insured as a result of the provisions of paragraphs M.a.(1), (2) and (3) above, the following additional exclusions apply:

This insurance does not apply to:

- (a) Any "occurrence" that takes place after you cease to lease that land; or
- (b) Structural alterations, new construction or demolition operations performed by or for the owner or other interest from whom the land was leased.

**(3) Managers or Lessors of Premises**

If a manager or lessor of premises you rent or lease is an additional insured as a result of the provisions of paragraphs M.a.(1), (2) and (3) above, the following additional exclusions apply:

This insurance does not apply to:

- (a) Any "occurrence" that takes place after you cease to be a tenant in those premises; or
- (b) Structural alterations, new construction or demolition operations performed by or for the manager or lessor of those premises.

**(4) Engineers, Architects or Surveyors**

If an engineer, architect or surveyor is an additional insured as a result of the provisions of paragraphs M.a.(1), (2) and (3) above, the following additional exclusions apply:

This insurance does not apply to "bodily injury," "property damage," "personal injury" or "advertising injury" arising out of the rendering or failing to render any professional services by or for you, including:

- (a) The preparing, approving, or failing to approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- (b) Giving directions or instructions, or failing to give them, if that is the primary cause of injury.

**(5) Vendor's of "Your Products"**

If a vendor of "your products" is an additional insured under this Coverage Part, such insurance as is provided to the additional insured applies only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and subject to the following additional exclusions:

- (a) This insurance afforded the vendor does not apply to:
  - (i) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability that the vendor would have in the absence of the contract or agreement;
  - (ii) Any express warranty unauthorized by you;

- (iii) Any physical or chemical change in the product made intentionally by the vendor;
- (iv) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (v) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- (vi) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product; or
- (vii) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.

- (b) This insurance afforded the vendor does not apply to any person or organization from whom you have acquired such products, or any ingredient, part or container entering into, accompanying or containing such products.

No insurance will be provided under this vendors coverage if "bodily injury" or "property damage" under the "products-completed operations hazard" is excluded by any of the exclusions or other provisions of this Coverage Form or by any endorsement.

- c. Such insurance as is afforded for any additional insured under paragraph M.a. or b. above is subject to all applicable exclusions of 2. Exclusions, **COVERAGE A (Section I)**, other than exclusion b. **Contractual Liability**, to all exclusions or limitations stated with the coverage language, and to the following additional exclusions:

This insurance does not apply to:



- (1) The independent acts or omissions of such additional insured.
- (2) Any liability arising from injury or damage in connection with a contract or agreement executed or permit issued subsequent to:
  - (a) The occurrence of any "bodily injury" or "property damage"; or
  - (b) The commission of any offense which caused "personal injury" or "advertising injury."
- (3) Construction or demolition work or operations performed for you.
- (4) Construction or demolition activities within 50 feet of any railroad property and affecting any railroad bridge or trestle, track, road-bed, tunnel, underpass or crossing.
- (5) Any liability arising from injury or damage in connection with a permit issued by a state or political subdivision if the liability is from operations performed for the state or political subdivision.
- (6) Any liability from "bodily injury" or "property damage," arising out of "your work," which is included in the "products-completed operations hazard." Paragraph (6) of this exclusion does not apply to such insurance as is provided by this endorsement during the policy period of the policy to which this Coverage Form is attached.  
This additional exclusion M.c.(6) does not apply with respect to such vendors coverage as is provided under M.b.(5) above.
- (7) Any person or organization included as an insured under any other provision of Section C. Who Is An Insured or included as an additional insured by any endorsement to this policy.

#### **N. LIMITED COVERAGE FOR PROFESSIONAL HEALTH CARE SERVICES**

1. The following is added to paragraph 1. of the COVERAGE A (Section I):
  - d. (1) "Bodily injury" or "personal injury" arising out of providing or failing to provide professional health care services shall be deemed to be caused by an "occurrence."

- (2) For the purpose of determining the Limits of Insurance for coverage provided by the Educational Institution Coverage Endorsement (Excluding Student Medical Expenses), any act or omission, together with all related acts or omissions in the furnishing of these services to any one person, will be considered one "occurrence."

2. The following exclusion is added to 2. Exclusions, of COVERAGE A. (Section I):  
The insurance provided by the Educational Institution Coverage Endorsement (Excluding Student Medical Expenses) does not apply to "bodily injury" or "personal injury" caused by the willful violation of a penal statute or ordinance relating to the provision of professional health care services by or with the knowledge or consent of any insured.

#### **O. MEDICAL PAYMENTS FOR VOLUNTEERS**

Exclusion 2.a. of Coverage C (SECTION I) is replaced by the following:

- a. To any insured; except an educational institution's volunteer worker who is not paid a fee, salary or other compensation.

#### **P. LIMITED COVERAGE FOR BODILY INJURY TO CO-EMPLOYEES, CO-VOLUNTEERS OR CO-INSTRUCTORS**

1. a. The coverage provided by this Section of this endorsement is subject to the reduced limits stated below. These limits do not increase the Commercial General Liability Limits of Insurance stated in the Declarations. The reduced limits stated below are the total Limits of Insurance for all damages or medical expenses under Coverage A or C for the coverage provided by this Section of this endorsement.

##### **Limits of Insurance for This Section:**

General Aggregate Limit - \$25,000.  
Each Occurrence Limit - \$25,000.

- b. Exclusion e. of SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY does not apply to the coverage provided by this Section of this endorsement.
2. Subject to the reduced limits above for such coverage as is provided by this Section of this endorsement, parts 2.a., b. and c. of Section L. of this endorsement, which modify part 2.a. of SECTION II - WHO IS AN INSURED of the Commercial General Liability Coverage Form, are replaced by the following:

- a. Your "employees," other than your "executive officers," but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
- b. Your volunteer workers, but only while acting:
  - (1) Under your direction and within the scope of duties for you; or
  - (2) Under your curriculum requirements. When used in this Coverage Form, "volunteer worker" means a person who is not paid a fee, salary, or other remuneration.
- c. Auxiliary instructors for any insured, but only while acting under the direction of, and within the scope of duties for such insured.

However, no "employee," volunteer worker or auxiliary instructor is an insured for:

- (1) "Personal injury":
  - (a) To you, to your partners or members (if you are a partnership or joint venture), or to a co-"employee," co-volunteer or co-instructor while in the course of his or her employment or while performing duties related to the conduct of your business or your curriculum requirements;
  - (b) To the spouse, child, parent, brother or sister of that co-"employee," co-volunteer or co-instructor as a consequence of paragraph (1)(a) above; or
  - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (1)(b) above.
- (2) "Property damage" to property owned, occupied or used by, rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by:
  - (a) Any of your "employees," volunteers or instructors; or
  - (b) You, or if you are partnership or joint venture, any partner or member.

#### Q. DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT

Paragraph 2. under SECTION IV - COMMERCIAL LIABILITY CONDITIONS is replaced by the following:

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

This paragraph a. applies only if one of the following knows of the "occurrence" or offense:

- (1) You;
- (2) A partner or member, if you are a partnership or joint venture;
- (3) A member or manager, if you are a limited liability company; or
- (4) An "executive officer" or insurance manager, if you are an organization other than a partnership, joint venture or limited liability company.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

This paragraph b. will be considered to have been violated only if the violation occurs after the claim or "suit" is known to:

  - (1) You;
  - (2) A partner or member, if you are a partnership or joint venture;
  - (3) A member or manager, if you are a limited liability company; or
  - (4) An "executive officer" or insurance manager, if you are an organization other than a partnership, joint venture or limited liability company.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

#### **R. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS**

The following is added to **SECTION IV COMMERCIAL GENERAL LIABILITY CONDITIONS**:

##### **Unintentional Failure To Disclose Hazards**

Failure of the insured to disclose all hazards existing as of the inception date of the policy shall not prejudice the rights of the insured as respects the insurance afforded by this policy if such failure or omission is not intentional.

#### **S. COVERAGE TERRITORY**

The definition of "Coverage territory" under **SECTION V - DEFINITIONS** is replaced by the following:

- 4. "Coverage territory" means:
  - a. The United State of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
  - c. All other parts of the world if:
    - (1) The injury or damage arises out of:
      - (a) Goods or products made or sold by you in the territory described in a. above; or
      - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
    - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in:
      - (a) The territory described in a. above;

- (b) The Commonwealth of the Bahamas, Bermuda, Cayman Islands, and British Virgin Islands;

or in a settlement we agree to.

#### **T. BODILY INJURY DEFINITION**

The definition of "Bodily injury" under **SECTION V - DEFINITIONS** is replaced by the following:

- 3. "Bodily injury" means:
  - a. Bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time; or
  - b. Shock, mental anguish or mental injury, including death resulting therefrom, to a person who sustained bodily injury, sickness or disease; provided the shock, mental anguish or mental injury is a consequence of the bodily injury, sickness or disease.

#### **U. DAMAGE TO PROPERTY NOT PHYSICALLY INJURED**

- a. The definition of "impaired property" in **SECTION V - DEFINITIONS** does not apply.
- b. Exclusions m. and n. under **SECTION I - COVERAGE A** are replaced by the following:

##### **m. Loss Of Use Of Tangible Property**

Loss of use of tangible property which has not been physically injured or destroyed, resulting from:

- (1) A delay in or lack of performance by or on behalf of the named insured of any contract or agreement; or
- (2) The failure of "your product" or "your work" to meet the level of performance, quality, fitness or durability warranted or represented by or on behalf of the named insured.

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden or accidental physical injury to or destruction of "your product" or "your work" after such products or work have been put to use by any person or organization other than an insured.

##### **n. Recall Of Products, Work Or Other Property**

Damage claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or



- (3) Any property which includes "your product" or "your work";  
if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

#### **V. PERSONAL INJURY LIABILITY EXTENSION**

The definition of "Personal Injury" in **SECTION V - DEFINITIONS** is replaced by the following:

"Personal injury" means injury including mental anguish, shock or humiliation; other than "bodily injury"; arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Malicious prosecution or abuse of process;
3. Wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
5. Oral or written publication of material that violates a person's right of privacy; or
6. Discrimination.

As used in this form, discrimination means the act of differentiation based on age, race, color, sex, religion, national origin, physical handicap or sexual preference which violates any applicable federal, state or local statute which pertains to discrimination.

But discrimination does not include acts of differentiation that cause injury to:

- a. A person arising out of any:
  - (1) Refusal to employ that person;
  - (2) Termination of that person's employment; or
  - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above as directed.

Paragraphs a. and b. above apply:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But "personal injury" does not include injury arising out of advertising, publishing, broadcasting or telecasting done by or for you.

Paragraph 6. of **V. PERSONAL INJURY LIABILITY EXTENSION** in the State of New York applies only disparate impact claims or the vicarious liability of an insured.

#### **W. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US**

The following is added to Section IV - **COMMERCIAL GENERAL LIABILITY CONDITIONS**:

If this Coverage Endorsement and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "occurrence" or offense, the aggregate maximum Limit of Insurance under all the Coverage Endorsements, Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Endorsement, Coverage Form or policy. This condition does not apply to any Coverage Endorsement, Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Endorsement.

#### **X. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.



COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EMPLOYMENT - RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages):

This insurance does not apply to:

1. "Bodily injury" to:

- a. A person arising out of any:
  - (1) Refusal to employ that person;
  - (2) Termination of that person's employment; or
  - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

- B. The following exclusion is added to paragraph 2., Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY (Section I - Coverages):

This insurance does not apply to:

1. "Personal injury" to:

- a. A person arising out of any:
  - (1) Refusal to employ that person;
  - (2) Termination of that person's employment; or
  - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- b. The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

POLICY NUMBER: CPP2054275

COMMERCIAL GENER

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

**ADDITIONAL INSURED — STATE OR POLITICAL  
SUBDIVISIONS — PERMITS RELATING TO PREMISES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

**SCHEDULE**

**State or Political Subdivision:**

WICOMICO COUNTY & MARYLAND BASEBALL LIMITED PARTNERSHIP

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured any state or political subdivision shown in the Schedule, subject to the following additional provision:

This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:

1. The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or
2. The construction, erection, or removal of elevators; or
3. The ownership, maintenance, or use of any elevators covered by this insurance.

## COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## LIMITED FOREIGN COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- I. The definition of "Coverage territory," in the Definitions Section of the Commercial General Liability Coverage Form is amended by adding the following:

- d. All parts of the world, except for injury or damage arising out of your "Foreign Based Operations," subject to the following special conditions:

With respect to any claim, "occurrence," or "suit" outside the territory described in a. above:

- (1) We shall have the right, but not the duty to:

- (a) Defend the insured against any "suit" seeking damages; and
- (b) Investigate any "occurrence" and settle any claim or "suit" that may result, at our discretion.

- (2) If we elect not to investigate, settle or defend any such claim, "occurrence," or "suit":

- (a) You, with our supervision, shall arrange for such investigation and defense of the claim, "occurrence," or "suit" as are reasonably necessary;
- (b) You, with our prior authorization, shall effect such settlement of the claim, or "suit" as you and we deem to be expedient; and
- (c) We will reimburse you, subject to the other related policy terms, for such settlement authorized by us.

### II. Additional Definitions

The following additional definition is added to the Definitions Section of the Commercial General Liability Coverage Form:

"Foreign Based Operations" means:

- (a) The ownership, including incidental maintenance or use of premises outside the territory described in part a. of the definition of "coverage territory" above;
- (b) The maintenance or use of any other premises outside the territory described in part a. of the definition of "coverage territory" above for a continuous period of more than 90 days duration; or
- (c) The manufacture, sale or distribution of goods or products at or from premises described in (a) or (b) of this definition.

- III. The broadened coverage afforded by this endorsement does not apply to such portion of any loss for which other valid and collectible insurance is available to you.

### IV. Additional Exclusions

With respect to the insurance provided by this endorsement, the following are added to part 2. Exclusions under Coverage A., SECTION I:

- a. To goods or products manufactured, sold or distributed by "you" in a foreign country unless the "suit" is brought in the United States of America (including its territories and possessions), Puerto Rico or Canada.
- b. To the activities of a person whose home is in the United States of America (including its territories and possessions), Puerto Rico or Canada, but who is away from their home, unless:
  - (1) The activities of such person(s) are in the conduct of your business; and
  - (2) The duration of their absence from their home is less than 90 days.

POLICY NUMBER: CPP 2054275

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED — OWNERS, LESSEES OR  
CONTRACTORS (FORM B)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Name of Person or Organization:**

JOHNSON CONTROLS

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.



POLICY NUMBER: CPP 2054275

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED —  
MORTGAGEE, ASSIGNEE, OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

**SCHEDULE**

**Name of Person or Organization:** ABN AMRO INC. AND/OR ITS ASSIGNS

**Designation of Premises:** S/S OF 381A, ROXANNA, DELAWARE

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

1. WHO IS AN INSURED (Section II) is amended to include as an insured the person(s) or organization(s) shown in the Schedule but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.
2. This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**THIS ENDORSEMENT MODIFIES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIABILITY EXCLUSION: COMPUTER AND OTHER ELECTRONIC- RELATED PROBLEMS**

This endorsement modifies the insurance provided under the policy; and the following exclusions apply to all insurance provided under the policy:

This insurance does not apply to any claim, injury, loss, damage, or damages (whether or not the form which describes the coverage defines such term or terms) caused directly or indirectly by, or arising directly or indirectly from or as a consequence of any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the claim, injury, loss, damage, or damages:

1. Actual or alleged failure, malfunction or inadequacy of:
  - a. Any of the following, whether belonging to an insured or to others:
    - (1) Computer hardware, including microprocessors;
    - (2) Computer application software or other electronic media and records;
    - (3) Computer operating systems and related software;
    - (4) Computer networks;
    - (5) Microprocessors (computer chips) not part of any computer system; or
    - (6) Any other computerized or electronic equipment or components; or
  - b. Any other products, services, data or functions; whether belonging to or provided by the insured or others; that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph 1. a. of this endorsement;  
due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize dates in or after the year 2000.
2. Your, or anyone on your behalf, providing or failing to provide any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, modification, replacement or supervision for the purpose of:
  - a. Defining, correcting or testing for any potential or actual problem described in Paragraph 1. of this endorsement; or
  - b. Correcting any deficiencies or changing any features of any items described in Paragraph 1. of this endorsement.

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CORPORAL PUNISHMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

Exclusion a. of paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages) is replaced by the following:

This insurance does not apply to:

- a. "Bodily Injury" or "property damage" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" resulting from:

- (1) The use of reasonable force to protect persons or property; or
- (2) Corporal punishment to your student administered by or at the direction of any insured.

POLICY NUMBER: CPP 2054275

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED —  
MORTGAGEE, ASSIGNEE, OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

**SCHEDULE**

**Name of Person or Organization:** CITICAPITAL COMMERCIAL  
IT'S SUCCESSORS &/OR ASSIGNS  
700 EAST GATE DR., SUITE 400  
MT. LAUREL, NJ 08054

**Designation of Premises:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

1. WHO IS AN INSURED (Section II) is amended to include as an insured the person(s) or organization(s) shown in the Schedule but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.
2. This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.



COMPANY NAME: CPP 2054275

COMMERCIAL GENERAL LIABILITY

**SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY  
INSURANCE DECLARATIONS (FOR EDUCATIONAL INSTITUTIONS)  
(CLAIMS-MADE BASIS)**

(For Attachment to a Liability or Package Policy)

The following spaces preceded by an asterisk (\*) need not be completed if this Coverage Form and the Policy have the same inception date.

<b>ATTACHED TO AND FORMING PART OF POLICY NO.</b>	<b>*EFFECTIVE DATE OF COVERAGE FORM</b>	<b>*ISSUED TO</b>
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IN RETURN FOR PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

SCHEDULE			
COVERAGE	LIMITS OF INSURANCE		
Legal Liability	\$	1,000,000.	Each "Loss"
	\$	2,000,000.	Aggregate For Each Annual Policy Year
Retained Amount	\$	1,000.	Each "Loss"
Coinurance: Participation Percentage	%	Maximum Participation Amount \$	Each "Loss"
<b>RETROACTIVE DATE</b>			
This insurance does not apply to "loss" from "wrongful acts" which took place before the Retroactive Date, if any, shown below: Retroactive Date: 08/01/91 (Enter Date or "None" if no Retroactive Date applies)			
<b>OPTIONAL EXTENDED REPORTING PERIOD PREMIUM</b>			
In Section VII - EXTENDED REPORTING PERIODS, we agree to provide an Optional Extended Reporting Period under certain conditions. The premium for such an Optional Extended Reporting Period is: \$			
<b>ADVANCE PREMIUM</b>			
Total Advance Premium \$			
Premium shown is payable* \$	at Inception; \$	1st Anniversary; \$	2nd Anniversary
<b>FORMS AND ENDORSEMENTS</b>			
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of Issue **:			

Company Officer\*:

\* Entry optional if shown in common Policy Declarations.

\*\*Forms and Endorsements applicable to this Coverage Part omitted if shown elsewhere in the policy.

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

**The Coverage Form which provides School District and Educators Legal Liability Coverage  
applies on a claims-made basis.**

The following provides a general description of this coverage and is subject to the terms and provisions of the actual Coverage Form.

- A. The Coverage Form will not apply to any losses from incidents which take place before the Retroactive Date, if any, or after the expiration of the policy period.
- B. The Coverage Form will apply to losses from incidents which take place after the Retroactive Date, if any, but before the beginning of the policy period **only** if the insured did not know of the incident before the beginning of the policy period **and** if any claim is made according to D. below.
- C. The Coverage Form will not apply to any loss for which claim is first made after the expiration of the policy period or any Automatic or Optional Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Form.
- D. The Coverage Form will apply only to claims which are first made:
  - 1. During the policy period;
  - 2. During the ninety day Automatic Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Form;
  - 3. During the five year Automatic Extended Reporting Period described in the Extended Reporting Period Section of the Coverage Form for claims arising out of incidents reported, under the policy provisions, no later than 90 days after the end of the policy period; or
  - 4. During the Optional Extended Reporting Period of unlimited duration described in the Extended Reporting Period Section of the Coverage Form;
    - a. We will send to you a written notice within thirty days after any termination of coverage of costs for and provisions of Extended Reporting Periods.
    - b. The Optional Extended Reporting Period must be requested by the insured in writing, by the later of sixty days after the termination of coverage or thirty days after the date of mailing of the company's notice to the insured of costs for and provisions of Extended Reporting Periods, in order to allow claims to be made against the policy coverage after the expiration of any Automatic Extended Reporting Period.
- E. For the first three years of claims-made coverage, premium will be comparatively lower than for occurrence coverage, and will increase for each renewal of those policies. Claims-made prices will still be somewhat lower than occurrence prices for mature accounts (in their fourth or later years). The purchase of Optional Extended Reporting Periods, as described above, requires additional premium payments.

# SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE FORM

(For Educational Institutions)

**THIS INSURANCE PROVIDES CLAIMS-MADE COVERAGE.**

**Please read the entire form carefully.**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VIII - Definitions.

## SECTION I - SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE

### 1. Insuring Agreement

- a. We will pay for all "loss" resulting from a "claim" for a "wrongful act" to which this insurance applies. We will have the right and duty to defend an "insured" against any "suit" seeking such "loss" even if the allegations of the "suit" are groundless, false, or fraudulent. However, we will have no duty to defend an insured against any "suit" seeking "loss" to which this insurance does not apply. At our discretion, we may investigate any allegation of a "wrongful act" and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for "loss" is limited as described in Section IV - Limits Of Insurance And Retentions; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of "loss."

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies only to "wrongful acts" which take place:
- (1) In the Coverage Form Territory described in Section III;
  - (2) During the "policy period" and "claim" for "loss" is first made against any insured during the "policy period" or any extended reporting period provided; or

- (3) Prior to the "policy period," but on or after the Retroactive Date, if any, shown in the Declarations for this Coverage Part, provided that prior to the effective date of this Coverage Part:

- (a) The Insured did not give notice to any prior insurer of such "wrongful act;"
- (b) The Insured had no knowledge of such "wrongful act" likely to give rise to a "claim" hereunder; and
- (c) The "claim" is first made against any insured during the "policy period" or any extended reporting period provided.

- c. A "claim" by any person or organization seeking "loss" will be deemed to have been made at the earlier of the following times:

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with Paragraph 1.a. above.

- d. All "claims" for "loss" based on or arising out of a single "wrongful act" or all "interrelated wrongful acts" of one or more insureds will be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured.

### 2. Exclusions

This insurance does not apply to:

- a. "Loss" resulting from failure to purchase proper insurance or maintain adequate limits of insurance.



3. Subject to 2. above, the Each Loss limit is the most we will pay for all "loss" from any one "wrongful act" or all "interrelated wrongful acts" of one or more insureds. Only one Retained Amount will be applied to all such "loss."
4. Our Limit of Insurance for Each "Loss" applies in excess of the Retained Amount set forth in the Declarations for Each "Loss."
5. The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.
6. The insured's Retained Amount, as stated in the Declarations, shall be applied to payments for both "loss" and "defense costs" covered by this policy. Subject to any Coinsurance participation by the insured, we will be liable only for "loss" in excess of such Retained Amount, up to the Each "Loss" limit. We may pay any part or all of the insured's Retained Amount to settle a "claim" or "suit" or to pay for "defense costs." You agree to promptly reimburse us for such part of the Retained Amount paid by us.  
The determination of the company as to the reasonableness of any "defense costs" payable towards the Retained Amount or Coinsurance shall be conclusive for all parties.

#### **SECTION V - COINSURANCE**

1. You will be responsible for your share, in excess of the Retained Amount for all "loss" and "defense costs" arising out of each "wrongful act" to which this insurance applies.
  2. Your share will be determined by multiplying the amount of such "loss" and/or "defense costs", after deduction of the Retained Amount, by the percentage shown in the Declarations as the Participation Percentage. Your coinsurance participation is limited, as shown in the declarations, to a Maximum Participation Amount per "loss." We will be responsible for the remaining "loss", subject to the applicable Limits of Insurance, and "defense costs" payable under this insurance.
3. Subject to the provisions of this section, we may make payments for "loss" and "defense costs" and then request you to pay us your percentage share. You agree to promptly reimburse us for your share. We do not waive our right to recover your share of such payments by making payments for "loss" or "defense costs."

#### **SECTION VI - SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties in the Event of "Wrongful Act," "Claim", or "Suit"**

- a. You must see to it that we are notified as soon as practicable of any "wrongful act" which may result in a "claim." To the extent possible, notice should include:
  - (1) How, when, and where the "wrongful act" took place;
  - (2) The names and addresses of persons involved in the "wrongful act" and witnesses; and
  - (3) The nature of the harm resulting from the "wrongful act."
- b. If a "claim" is received by an Insured, you must:
  - (1) Immediately record the specifics of the "claim" and the date received;
  - (2) Notify us as soon as practicable; and
  - (3) Forward written notice of the "claim" to us as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the "claim" or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to an insured because of "loss" to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.



**8. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

**9. Your Right to "Claim" and "Wrongful Act" Information**

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding School District and Educators Legal Liability claims-made Coverage Part we have issued to you during the previous three years:

- a. A list or other record of each "wrongful act" not previously reported to any other insurer, of which we were notified in accordance with paragraph 2.a. of this Section. We will include the date and brief description of the "wrongful act" if that information was in the notice we received.
- b. A summary by policy year, of payments made and amounts reserved, stated separately under the applicable Aggregate For Each Annual Policy Year limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

You must not disclose this information to any claimant or claimant's representative without our consent.

If we cancel or elect not to renew this Coverage Part, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured. In this case, we will provide this information within 45 days of receipt of the request.

We compile "claim" and "wrongful acts" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate or incomplete information.

**10. State Changes**

Any state amendatory endorsement changing Cancellation or Nonrenewal Conditions for any part of this policy shall also apply to this Coverage Part.

**SECTION VII - EXTENDED REPORTING PERIODS**

1. We will provide an Automatic Extended Reporting Period as described in paragraph 3., or if you purchase it, an Optional Extended Reporting Period Endorsement as described in paragraph 4. in the event of any "termination of coverage."
2. Any "claim" first made during an Extended Reporting Period will be deemed to have been made on the last day of the "policy period," provided that the "claim" is for "loss" from "wrongful acts" which took place before the end of the "policy period" of this policy (but not before any applicable Retroactive Date).

Extended Reporting Periods:

- a. Do not extend the "policy period" or change the scope of coverage provided;
  - b. Apply only to the coverage terminated or reduced; and
  - c. Apply only as excess insurance over any other valid and collectible insurance available to the insured, whether primary, excess, contingent, or on any other basis, whose policy period begins or continues after the Extended Reporting Period takes effect.
3. The Automatic Extended Reporting Period is provided without additional charge. This period starts with the end of the "policy period" and lasts until the earliest of the following:
    - a. Five years for "claims" arising out of a "wrongful act" reported to us, not later than 90 days after the end of the "policy period," in accordance with paragraph 2.a. of Section VI - School District And Educators Legal Liability Conditions;
    - b. The date of purchase of (and payment of required premium for) the Optional Extended Reporting Period described in this Coverage Part; or
    - c. Ninety days.

The Automatic Extended Reporting Period may not be cancelled.
  4. If you purchase the Optional Extended Reporting Period Endorsement, the Extended Reporting Period will be of unlimited duration. This period starts on the later of the following dates:
    - a. The end of the "policy period"; or

## UTICA NATIONAL INSURANCE GROUP

Issuing Company: \_\_\_\_\_

A MEMBER OF UTICA NATIONAL INSURANCE GROUP

**ABUSE OR MOLESTATION LIABILITY COVERAGE PART  
(INCLUDING SEXUAL MISCONDUCT OR SEXUAL MOLESTATION)**

(For Attachment to a Liability or Package Policy)

The following spaces preceded by an asterisk (\*) need not be completed if this Coverage Form and the Policy have the same inception date.

<b>ATTACHED TO AND FORMING PART OF POLICY NO.</b>	<b>*EFFECTIVE DATE OF COVERAGE FORM</b>	<b>*ISSUED TO</b>
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**ADDITIONAL DECLARATIONS**

IN RETURN FOR PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

SCHEDULE			
COVERAGE	LIMITS OF LIABILITY		
Legal Liability	\$ <u>1,000,000.1,000,000</u>	Each Loss	
	\$ _____	Annual Aggregate	
<b>ADVANCE PREMIUM</b>			
Total Advance Premium \$			
Premium shown is payable** \$	at inception; \$	1st Anniversary; \$	2nd Anniversary
<b>FORMS AND ENDORSEMENTS</b>			
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:			

\*\*

Countersigned:\*\*

Date:

By \_\_\_\_\_

Company Officer

\*\*Entry optional if shown in Common Policy Declarations.

+ Forms and Endorsements applicable to this Coverage Part omitted if shown elsewhere in the policy.

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

## COMMERCIAL GENERAL LIABILITY

# ABUSE OR MOLESTATION LIABILITY COVERAGE FORM (INCLUDING SEXUAL MISCONDUCT OR SEXUAL MOLESTATION)

Please read the entire form carefully.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us," and "our" refer to the Company providing the insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured. Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

## SECTION I - ABUSE OR MOLESTATION LIABILITY COVERAGE (INCLUDING SEXUAL MISCONDUCT OR SEXUAL MOLESTATION)

### 1. Insuring Agreement.

- a. We will pay on behalf of the insured those sums that the insured becomes legally obligated to pay for "loss" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking such payment even if the allegations of the "suit" are groundless, false, or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking payment for "loss" to which this insurance does not apply. We may, at our discretion, investigate any incident and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of "loss."

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies only to "loss" which results from a "wrongful act", and then only when such "wrongful act" first takes place during the "policy period." All "wrongful acts" which constitute one "loss" will be deemed to first take place at the time of the earliest of such "wrongful acts."

### 2. Exclusions.

This insurance does not apply:

- a. To any person who:
  - (1) Participated in or who conspired with or directed a participant in any "wrongful act"; or
  - (2) Knowingly allowed any "wrongful act" or failed to report any "wrongful act" to proper authorities.
- b. To the cost of defense of, or payment of fines for, any person who actually or allegedly violated any penal or criminal statute.
- c. If you fail to give us written notice within 60 days of your being notified of an incident which appears likely to result in a claim or "suit" involving a "wrongful act."
- d. To liability assumed by the insured under any contract or agreement, but this exclusion does not apply to liability for "loss" that the insured would have in the absence of the contract or agreement.



- e. To any obligation of the insured under a workers compensation, disability benefits, or unemployment compensation law, or any similar law.
- f. To injury to:
  - (1) An employee of the insured arising out of and in the course of employment by the insured; or
  - (2) The spouse, child, parent, brother, or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
  - (2) To any obligation to share damages with or repay someone else who must pay damages because of injury.
- g. To "loss" arising from the ownership, maintenance, operation, use, entrustment, loading or unloading of any watercraft, or aircraft.
- This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "wrongful act" which caused the "loss" involved the ownership, maintenance, use or entrustment to others of any aircraft, or watercraft.
- h. To exemplary or punitive damages.
  - i. To "loss" arising from any violation of the civil rights of any person.
  - j. (1) "Loss" to a person arising out of any:
    - (a) Refusal to employ that person;
    - (b) Termination of that person's employment; or
    - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
  - (2) "Loss" to the spouse, child, parent, brother or sister of that person as a consequence of injury to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

### 3. Supplementary Payments.

We will pay, with respect to any claim we investigate or settle or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. The cost of appeal bonds, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the insured in the "suit."
- e. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after the entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

### SECTION II - WHO IS AN INSURED

Each of the following is an insured under this coverage subject to all the exclusions and provisions thereof:

- 1. You and any "affiliate."
- 2. Your employees, directors, officers, trustees, clergy, wardens, deacons, elders, teachers, members of the vestry, members of the board of trustees, members of the board of governors, or members of the board of education while acting within the scope of their duties as such.
- 3. With respect to the liability of insureds described above, the heirs, administrators, assigns, and legal representatives of each insured in the event of death, incapacity, or bankruptcy.
- 4. Employees, directors, officers, trustees, clergy, wardens, deacons, elders, teachers, members of the vestry, members of the board of trustees, members of the board of governors, or members of the board of education of any "affiliate" acquired or formed after the effective date of this Coverage Part, while acting within the scope of their duties as such, but only if the first Named Insured shown in the Declarations:



- a. Provides immediate written notice of such acquisition or formation to us;
- b. Furnishes such additional information as we require as soon as practicable; and
- c. Pays promptly such additional premium as is required.

However, coverage under this provision does not apply to any "wrongful act" that took place before you formed or acquired the "affiliate."

- 5. Any other member of yours but only while acting on your behalf.
- 6. Any volunteer worker but only while acting on your behalf with your consent and knowledge.

### SECTION III - LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits."
- 2. The Annual Aggregate Limit is the most we will pay for the total of all "losses" covered by this Coverage Part.
- 3. Subject to 2. above, the Each Loss Limit is the most we will pay for damages because of each "loss" as defined.
- 4. The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV - ABUSE OR MOLESTATION LIABILITY CONDITIONS (INCLUDING SEXUAL MISCONDUCT OR SEXUAL MOLESTATION)

- 1. **Bankruptcy.**  
Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.
- 2. **Duties in the Event of "Wrongful Act," Claim, or "Suit."**  
(See Exclusion c. Also.)
  - a. You must see to it that we are notified as soon as practicable (and within 60 days of any notice to you) of any "wrongful act" which may result in a claim. To the extent possible, notice should include:

- (1) How, when, and where the "wrongful act" took place;
- (2) The names and addresses of any persons involved in the "wrongful act" and witnesses; and
- (3) The nature of the harm resulting from the "wrongful act."

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the claim or "suit;"
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit;" and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "loss" to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

### 3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

**4. Other Insurance.**

If other valid and collectible insurance is available to the insured for a "loss" we cover under this Coverage Part, our obligations are limited as follows:

- a. This insurance is primary with respect to insurance that is specifically written as excess over this Insurance.
- b. Excess Insurance
  - (1) This insurance is excess over any insurance that is not specifically described in item a. above, whether primary, excess, contingent, or on any other basis available to any insured under this Coverage Part.
  - (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit." If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
  - (3) When this insurance is excess over other insurance, we will pay only our share of the amount of "loss," if any, that exceeds the sum of:
    - (a) The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and
    - (b) The total of all deductible and self-insured amounts under all that other insurance.
  - (4) We will share the remaining "loss," if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "loss" remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Two or More Coverage Forms**

Except for the insurance provided by this Coverage Part, the policy to which this Coverage Part is attached does not apply to any claim or "suit" seeking damages arising out of any actual or alleged act of abuse or molestation (including sexual misconduct or sexual molestation).

**6. Representations.**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

**7. Separation of Insureds.**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each Insured against whom claim is made or "suit" is brought.

**8. Transfer of Rights of Recovery Against Others to Us.**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after "loss" to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. When We Do Not Renew.**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

**10. State Changes.**

Any state amendatory endorsement changing Cancellation or Nonrenewal Conditions for any part of this policy shall also apply to this Coverage Part.

**SECTION V - DEFINITIONS**

1. "Affiliate" means any entity wholly owned by you or owned through one or more of your "affiliates." Coverage shall apply to "affiliates" which existed prior to or at the inception date of this Coverage Part. In the event of sale or dissolution of any

"affiliate" after the inception date of this Coverage Part, coverage shall continue to apply to all persons who were persons insured of the "affiliate" with respect to claims for "wrongful acts" prior to the time of sale or dissolution. However, in the event of sale, coverage shall cease as of the date of sale for subsequent persons in such positions.

2. a. "Loss" means any damages which the insured is legally obligated to pay for any claim to which this insurance applies and shall include judgments and settlements and also includes damages claimed by any person or organization for care, loss of services, or death resulting at any time from a "wrongful act." "Loss" shall not include fines or penalties imposed by law or other matters which may be deemed uninsurable under the law pursuant to which the policy shall be construed.
- b. All:
  - (1) Covered acts of abuse or molestation (including sexual misconduct or sexual molestation) by one person, or by two or more persons acting together; and
  - (2) Breaches of duty related to the acts in item (1) immediately above;
 will constitute one "loss" and be subject to the Each Loss Limit of Insurance.
3. "Policy period" means that period stated in the Declarations of the policy. But if this Coverage Part is issued subsequent to the issuance of the policy, the "policy period" hereunder will commence only as of the effective date of this Coverage Part and shall terminate with the policy termination.
4. "Suit" means a civil proceeding in which damages because of "loss" from "wrongful acts" to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
5. "Wrongful act" means:
  - a. Any act of actual or threatened abuse or molestation (including sexual misconduct or sexual molestation) which results in injury to another; or
  - b. The negligent:
    - (1) Employment;
    - (2) Investigation;
    - (3) Supervision;
    - (4) Reporting to the proper authorities, or failure to so report; or
    - (5) Retention;
 of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraphs. above.
 For the purpose of this coverage, abuse means an intentional, inherently harmful act.



COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION - LEAD LIABILITY HAZARDS**

This endorsement modifies Insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The insurance provided under **Section I - Coverage A - Bodily Injury And Property Damage Liability** and **Coverage B - Personal And Advertising Injury Liability** does not apply to any "occurrence", notice, claim or "suit" arising out of or resulting from:

(1) The actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of lead in any form at any time; or

(2) Any loss, cost or expense for the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of lead by any insured or by any other person or entity.



COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ABUSE OR MOLESTATION EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., Exclusions of Coverage A - Bodily Injury And Property Damage Liability (Section I - Coverages) and Paragraph 2., Exclusions of Coverage B - Personal And Advertising injury Liability (Section I - Coverages):

This insurance does not apply to "bodily injury," "property damage," "advertising injury" or "personal injury" arising out of:

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or

2. The negligent:

- a. Employment;
- b. Investigation;
- c. Supervision;
- d. Reporting to the proper authorities, or failure to so report; or
- e. Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

For the purposes of this endorsement, abuse means an intentional, inherently harmful act.

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION - FUNGI OR BACTERIA**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of **Section I - Coverage A - Bodily Injury And Property Damage Liability**:

**2. Exclusions**

This insurance does not apply to:

**Fungi or Bacteria**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

- B. The following exclusion is added to Paragraph 2., Exclusions of **Section I - Coverage B - Personal And Advertising Injury Liability**:

**2. Exclusions**

This insurance does not apply to:

**Fungi or Bacteria**

- a. "Personal injury" and "advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C. The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ASBESTOS EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

- I. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability and Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

A. This insurance does not apply to "bodily injury", "property damage", "personal injury", "advertising injury" or "devaluation" related to the actual, alleged or threatened presence of, or exposure to "asbestos" in any form, or to toxic substances emanating from "asbestos". This includes ingestion, inhalation, absorption or other physical exposure to "asbestos". Such presence of, or exposure to, "asbestos" includes, but is not limited to:

1. The existence of or storing of "asbestos";
2. The abatement or removal of "asbestos" from any structures, materials, products, goods or manufacturing process;
3. The disposal of "asbestos"; or
4. Any structures, manufacturing processes, or products containing "asbestos".

B. We shall have no obligation under this coverage for any loss, defense costs, or other costs or expenses arising out of any:

1. Claim, "suit", judgment, settlement, obligation, request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, neutralize, or in any way respond to, or assess the actual or alleged effects of "asbestos"; or

2. Claim, "suit", judgment, settlement, obligation, request or demand due to any actual, alleged, or threatened injury or damage from "asbestos" or testing for, monitoring, cleaning up, removing, containing, treating, or neutralizing, or in any way responding to or assessing the actual or alleged effects of, "asbestos"; or

3. Claim, "suit", judgment, settlement, obligation, request or demand to investigate which would not have occurred, in whole or in part, but for the actual or alleged presence of or exposure to "asbestos".

C. This exclusion applies regardless of who manufactured, produced, installed, used, owned, stored or controlled the "asbestos".

- II. The following definitions are added to the Definitions Section:

"Asbestos" means asbestos, asbestos fibers, asbestos products and asbestos materials, or any products, goods or materials containing asbestos or asbestos fibers, products or materials.

"Devaluation" means any claim, demand or "suit" that alleges diminution, impairment or reduction in the value of property.

POLICY NUMBER:\* CPP 2054275

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY ADDITIONAL DEFENSE COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### SCHOOL DISTRICT AND EDUCATORS LEGAL LIABILITY COVERAGE FORM

The following is added to part 1. Insuring Agreement of Section I - School District And Educators Legal Liability Coverage.

**Additional Defense Coverage.**

- a. We will also have the right and duty to defend any "suit" which fits any of the areas below which has a premium entered opposite the description:

**SCHEDULE\***

<u>Defense Coverage Area</u>	<u>Aggregate Defense Limit For Each Annual Policy Year</u>	<u>Premium</u>
(1) "Suits" Seeking No Pecuniary Relief	\$100,000	\$ INCL
(2) "Suits" Alleging "Loss" From Asbestos	\$50,000	\$ INCL
(3) "Suits" Alleging Failure To Purchase Or Maintain Adequate Limits Or Insurance	\$100,000	\$ INCL

\* (If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- b. (1) (a) Only as respects Additional Defense Coverage under a.(1), "Suits" Seeking No Pecuniary Relief; the term "suits" means a judicial proceeding in a court of law or equity in which no damages are claimed and shall not include an administrative hearing, a proceeding before an educational agency, an E.E.O.C. proceeding or any similar proceeding, hearing, mediation or arbitration.
- (b) Our duty to defend under item a.(1) above is limited to those "suits" to which the insurance provided by this Coverage Part would apply if pecuniary damages were being sought and ends when the Aggregate Defense Limit For Each Annual Policy Year shown above for such "suits" is exhausted by payment of defense expenses.
- (2) As respects Additional Defense Coverage under a.(2), "Suits" Alleging "Loss" From Asbestos and a.(3), "Suits" Alleging Failure To Purchase Or Maintain Adequate Limits Or Insurance; the term "suits" has the meaning given in Section VIII - Definitions.
- (3) Our duty to defend under item a.(2) above is not subject to exclusion i. and our duty to defend under item a.(3) above is not subject to exclusion a. of this Coverage Form and ends when the applicable Aggregate Defense Limit For Each Annual Policy Year shown above for such "suits" is exhausted by payment of defense expenses.
- (4) The defense coverage granted by this endorsement will apply only under a.(1), a.(2) or a.(3) above, but not under more than one for any one "suit," whether subject to the definition in b.(1)(a) above or that given in Section VIII - Definitions.



**COMMERCIAL GENERAL LIABILITY**  
**CG 00 62 12 02**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**WAR LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

A. Exclusion i. under Paragraph 2., **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

B. The following exclusion is added to Paragraph 2., **Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability**:

**2. Exclusions**

This insurance does not apply to:

**WAR**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

C. Exclusion h. under Paragraph 2., **Exclusions of Section I - Coverage C - Medical Payments** does not apply. Medical payments due to war are now subject to Exclusion g. of Paragraph 2., **Exclusions of Section I - Coverage C - Medical Payments** since "bodily injury" arising out of war is now excluded under Coverage A.

## **POLICYHOLDERS NOTICE - WAR LIABILITY EXCLUSION**

THIS POLICYHOLDERS NOTICE PROVIDES A SUMMARY OF RECENT COVERAGE CHANGES THAT APPLY TO YOUR POLICY. THIS NOTICE PROVIDES NO COVERAGE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. FOR COMPLETE INFORMATION ON YOUR COVERAGES, READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

PLEASE READ THIS NOTICE CAREFULLY.

**THIS NOTICE PERTAINS TO THE EXCLUSION OF COVERAGE FOR CLAIMS INVOLVING WAR AND APPLIES TO THE COMMERCIAL GENERAL LIABILITY COVERAGE FORM AND THE COMMERCIAL UMBRELLA COVERAGE FORM IF THEY ARE INCLUDED IN YOUR POLICY.**

### **▪ Changes to the Commercial General Liability Coverage Form**

#### **Reductions In Coverage**

An endorsement has been added to your policy which modifies coverage for any claim or suit involving war in the following ways:

- Under Coverage A - Bodily Injury and Property Damage Liability, the War exclusion previously applied only to liability assumed under a contract or agreement. This exclusion has been revised to apply to all claims or suits arising directly or indirectly out of war or warlike actions.
- Under Coverage B - Personal and Advertising Injury Liability, an exclusion has been added which excludes coverage for personal and advertising injury arising directly or indirectly out of war or warlike actions.

### **▪ Changes to the Commercial Umbrella Liability Coverage Form**

#### **Reductions In Coverage**

An endorsement has been added to your policy which modifies coverage for any claim or suit involving war in the following ways:

- Under Coverage A - Excess Liability, an exclusion has been added which excludes coverage for any claim or suit arising directly or indirectly out of war or warlike actions.

#### **Clarification Of Coverage**

- Under Coverage B - Extended Liability, the exclusion for injury due to war has been revised and reworded for clarification purposes with no basic change in intent. It remains an exclusion for all war related claims.

Please consult with your agent or broker if you have any questions.



**Utica National Insurance Group**

Insurance that starts with you.

Utica Mutual Insurance Company and its affiliated companies, New Hartford, N.Y. 13413

## COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **GENERAL LIABILITY REVISION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

The following changes supersede any other provision to the contrary. In the event that your policy includes other provisions which modify the Commercial General Liability Coverage Form, those other provisions will apply, but only to the extent that they do not conflict with these changes.

**I. Under Section I - Coverages, the Insuring Agreement of Coverage A is replaced by the following:**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.



d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

**II. The following changes apply to Paragraph 2., Exclusions of Coverage A:**

**A. The following is added to Aircraft, Auto Or Watercraft:**

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

**B. Part (1) under Damage To Property is replaced by the following:**

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

**III. The following changes apply to Paragraph 2., Exclusions of Coverage B - Personal And Advertising Injury Liability:**

A. The exclusion for "advertising injury" arising out of an offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting is replaced by the following:

**Insureds In Media And Internet Type Businesses**

"Personal injury" or "advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to paragraphs a., b. and c. under the definition of "personal injury".

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

B. If your policy contains an exclusion for liability arising out of:

- (a) The willful violation of a penal statute or ordinance committed by or with the consent of the insured; or
- (b) A criminal act committed by or at the direction of any insured;

that exclusion is replaced by the following:

Arising out of a criminal act committed by or at the direction of the insured;

C. The following exclusions are added:

**1. Electronic Chatrooms Or Bulletin Boards**

"Personal injury" or "advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.



**2. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal injury" or "advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**3. Unauthorized Use Of Another's Name Or Product**

"Personal injury" or "advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**IV. Under Section II - Who Is An Insured, the following is added to Paragraph 1. :**

- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**V. The following changes apply to Section V - Definitions:**

**A. The following definition is added:**

"Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

**B. "Advertising injury" is replaced by the following:**

"Advertising injury" means injury arising out of one or more of the following offenses:

- a. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- b. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- c. Misappropriation of advertising ideas or style of doing business; or
- d. Infringement of copyright, title or slogan.

**C. "Coverage Territory" is replaced by the following:**

"Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
- c. All other parts of the world if the injury or damage arises out of:
  - (1) Goods or products made or sold by you in the territory described in a. above;
  - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
  - (3) "Personal injury" or "advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

**D. "Personal injury" is replaced by the following:**

"Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

**E. "Property damage" is replaced by the following:**

"Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**POLLUTION EXCLUSION - PERSONAL AND  
ADVERTISING INJURY LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY PART

The following exclusions are added to paragraph 2.,  
**Exclusions of Coverage B - Personal And  
Advertising Injury Liability (Section I -  
Coverages):**

This insurance does not apply to:

- a. "Personal injury" or "advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- b. Any loss, cost or expense arising out of any:
  - (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants: or

- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDMENT OF POLLUTION EXCLUSION -  
EXCEPTION FOR BUILDING HEATING EQUIPMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

Subparagraph (1)(a) of the **Pollution** exclusion under Paragraph 2., **Exclusions of Bodily Injury And Property Damage Liability Coverage (Section I - Coverages)** is replaced by the following:

This insurance does not apply to:

**POLLUTION**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured.

However, Subparagraph (a) does not apply to "bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building.



COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDMENT OF OTHER INSURANCE CONDITION  
(OCCURRENCE VERSION)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART (OCCURRENCE VERSION)**

Paragraph 4.b. of the **Other Insurance Condition - (Section IV - Commercial General Liability Conditions)** is replaced by the following:

**4. Other Insurance**

**b. Excess Insurance**

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or
  - (c) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of COVERAGE A (SECTION I).

- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under COVERAGES A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit." If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

INTERLINE

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****NUCLEAR ENERGY LIABILITY  
EXCLUSION ENDORSEMENT****(Broad Form)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY  
 COMMERCIAL AUTO COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 EMPLOYMENT- RELATED PRACTICES LIABILITY COVERAGE PART  
 FARM COVERAGE PART  
 LIQUOR LIABILITY COVERAGE PART  
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 PROFESSIONAL LIABILITY COVERAGE PART  
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
 SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF  
 TRANSPORTATION  
 UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:****A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.****C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material," if:**

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material," "special nuclear material" or "by-product material."

"Source material," "special nuclear material," and "by-product material" have the meanings

given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor."

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel," or (3) handling, processing or packaging "waste";

- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage of disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.



## COMMERCIAL GENERAL LIABILITY

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (SECTION V).

**SECTION I - COVERAGES****COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY****1. Insuring Agreement.**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory;" and

- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury."

**2. Exclusions.**

This insurance does not apply to:

**a. Expected or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) Assumed in a contract or agreement that is an "insured contract," provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- (2) That the insured would have in the absence of the contract or agreement.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.



**d. Workers Compensation and Similar Laws**

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract."

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:

- (i) if the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
- (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraphs (a) and (d)(i) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**g. Aircraft, Auto or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading."

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment".

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### **i. War**

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

#### **j. Damage to Property**

"Property damage" to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

#### **k. Damage to Your Product**

"Property damage" to "your product" arising out of it or any part of it.

#### **l. Damage to Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard."

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

#### **m. Damage to Impaired Property or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work;" or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

#### **n. Recall of Products, Work or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product;"
- (2) "Your work;" or
- (3) "Impaired property;"

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (Section III).

## **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement.**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A AND B.

- b. This insurance applies to:

- (1) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
  - (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;
- but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions.**

This insurance does not apply to:

- a. "Personal injury" or "advertising injury:"
  - (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
  - (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
  - (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured; or
  - (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- b. "Advertising injury" arising out of:
  - (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;



- (2) The failure of goods, products or services to conform with advertised quality or performance;
- (3) The wrong description of the price of goods, products or services; or
- (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

#### **COVERAGE C. MEDICAL PAYMENTS**

##### **1. Insuring Agreement.**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
 provided that:
  - (1) The accident takes place in the "coverage territory" and during the policy period;
  - (2) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

##### **2. Exclusions.**

We will not pay expenses for "bodily injury:"

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers compensation or disability benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the "products-completed operations hazard."
- g. Excluded under Coverage A.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

#### **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**

We will pay, with respect to any claim or "suit" we defend:

- 1. All expenses we incur.
- 2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- 3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.



4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$100 a day because of time off from work.
5. All costs taxed against the insured in the "suit."
6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

## **SECTION II - WHO IS AN INSURED**

### **1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. An organization other than a partnership or joint venture, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

### **2. Each of the following is also an insured:**

- a. Your "employees," other than your "executive officers," but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, no "employee" is an insured for:

#### **(1) "Bodily injury" or "personal injury":**

- (a) To you, to your partners or members (if you are a partnership or joint venture), or to a co-"employee" while in the course of his or her employment or while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above; or

- (d) Arising out of his or her providing or failing to provide professional health care services.

### **(2) "Property damage" to property:**

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees" or, if you are a partnership or joint venture, by any partner or member.

- b. Any person (other than your "employee"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

### **SECTION III - LIMITS OF INSURANCE**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits."
2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage C;
  - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard;" and
  - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard."
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence."

6. Subject to 5. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**

#### **1. Bankruptcy.**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

#### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit.**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.



**c. You and any other involved insured must:**

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit;"
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit;" and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

**d. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.**

**3. Legal Action Against Us.**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or**
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.**

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

**4. Other Insurance.**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when **b.** below applies. If this insurance is primary, our

obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c.** below.

**b. Excess Insurance**

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work;"
- (2) That is Fire insurance for premises rented to you; or
- (3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I).

When this insurance is excess, we will have no duty under Coverage A or B to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each Insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all Insurers.

#### 5. Premium Audit.

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations.

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### 7. Separation Of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each Insured against whom claim is made or "suit" is brought.

#### 8. Transfer Of Rights Of Recovery Against Others To Us.

If the Insured has rights to recover all or part of any payment we have made under this Coverage Part,

those rights are transferred to us. The Insured must do nothing after loss to impair them. At our request, the Insured will bring "suit" or transfer those rights to us and help us enforce them.

#### 9. When We Do Not Renew.

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

### SECTION V - DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:

- a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- b. Oral or written publication of material that violates a person's right of privacy;
- c. Misappropriation of advertising ideas or style of doing business; or
- d. Infringement of copyright, title or slogan.

2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment."

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All parts of the world if:
  - (1) The injury or damage arises out of:
    - (a) Goods or products made or sold by you in the territory described in a. above; or



(b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and

(2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker."

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Impaired property" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- a. The repair, replacement, adjustment or removal of "your product" or "your work;" or
- b. Your fulfilling the terms of the contract or agreement.

8. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

- (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
- (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services.

9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker."

10. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto;"
- b. While it is in or on an aircraft, watercraft or "auto;" or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto."

11. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos:"

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

- 12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

- 13. "Personal injury" means injury, other than "bodily injury," arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- e. Oral or written publication of material that violates a person's right of privacy.

- 14.a. "Products-completed operations hazard" includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned.

- b. "Your work" will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- c. This hazard does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification in this Coverage Part or in our manual of rules includes products or completed operations.

**15. "Property damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

**16. "Suit" means a civil proceeding in which damages because of "bodily injury," "property damage," "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:**

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

**17. "Your product" means:**

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (1) You;
- (2) Others trading under your name; or
- (3) A person or organization whose business or assets you have acquired; and

- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**"Your product" includes:**

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product;" and
- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

**18. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**

**19. "Your work" means:**

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

**"Your work" includes:**

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work;" and
- b. The providing of or failure to provide warnings or instructions.





UTICA NATIONAL INSURANCE GROUP

PAGE 1

GRAPHIC ARTS MUTUAL INSURANCE CO.  
180 GENESEE STREET  
NEW HARTFORD, NY 13413

R3897  
THE L & W AGENCY  
P O BOX 918  
DOVER, DE 19904  
(302) 674-3500

POLICY NUMBER: CPP 2054275  
RENEWAL OF CPP 2054275

NAMED INSURED: INDIAN RIVER SCHOOL DISTRICT

ADDRESS: R.D. #2 BOX 236  
FRANKFORD, DE 19945

FORM OF BUSINESS: PUBLIC SCHOOL SYSTEM

BUSINESS DESCRIPTION: PUBLIC SCHOOL SYSTEM

POLICY PERIOD: FROM 08-01-04 TO 08-01-05 12:01 A.M. Standard Time at your address shown above.

In return for the payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

### COMMERCIAL INLAND MARINE COVERAGE PART — DECLARATIONS

For deductibles shown below, see individual coverage form(s) for explanation of how deductibles may apply.

#### SCHEDULE

ITEM NO.	DESCRIPTION	LIMIT OF INSURANCE	DEDUCTIBLE AMOUNT	PREMIUM
	LOCATION NUMBER 001 S/S OF 381A ROXANNA, DE 19945			
001	8C1700 DATA PROCESSING COVERAGE FORM	\$ 985,513	\$ 250	INCLUDED
002	8E1823 DATA PROCESSING BREAKDOWN COVERAGE	\$ 985,513	\$ 1,000	INCLUDED
003	8E1070 INSTALLTION FLOATER	\$ 555,669	\$ 250	INCLUDED
004	8E1286 MISCELLANEOUS PROPERTY FLOATER COVERAGE DAMAGE TO PERSONAL EFFECTS	\$ 1,000	\$ 100	INCLUDED

PREMIUM for this Coverage Part \$ 8,101.00

FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART:

SEE 8-S-1018

Company Officer

REPRINT

CPP CIM 08 7 2054275

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.



POLICY NUMBER: CPP 2054275

PAGE 2  
COMMERCIAL AUTO  
COMMERCIAL INLAND MARINE  
COMMERCIAL PROPERTY  
BUSINESSOWNERS

## SUPPLEMENTAL DECLARATIONS

Named Insured:

### Schedule of Loss Payees/Mortgagees

<u>Description of Property</u>	<u>Loss Payee (x)</u>	<u>Mortgagee (x)</u>	<u>Loss Payees' or Mortgagees' Name &amp; Addresses</u>
EQUIPMENT FLOATER	X		ASSOCIATES COMM CORP P.O. BOX 168647 IRVING, TX 75016

POLICY NUMBER: CPP 2054275

COMMERCIAL AUTO LIABILITY  
 COMMERCIAL GENERAL LIABILITY  
 COMMERCIAL INLAND MARINE  
 COMMERCIAL PROPERTY  
 BUSINESSOWNERS  
 CRIME

## SUPPLEMENTAL DECLARATIONS

Named Insured: INDIAN RIVER SCHOOL DISTRICT

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:

FORM -----	EDITION -----	TITLE -----
CM0001	0900	COMMERCIAL INLAND MARINE CONDITIONS
IL0017	1198	COMMON POLICY CONDITIONS
8C1700	0296	DATA PROCESSING COVERAGE FORM
8D1700	0296	COMMERCIAL INLAND MARINE COVERAGE PART DATA PROCESSING DECLARATIONS
8E1823	0998	DATA PROCESSING BREAKDOWN COVERAGE ENDORSEMENT
8E1070	0186	INSTALLATION FLOATER COVERAGE FORM
8E2721	0798	EXCLUSION:COMPUTER AND OTHER ELECTRONIC-RELATED PROBLEMS
8E2794	0998	MECHANICAL/ELECTRICAL BREAKDOWN REDEFINED
8E1286	0188	MISCELLANEOUS PROPERTY FLOATER COVERAGE FORM
IL0985	0103	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT OF 2002
8E3414	1002	COVERAGE RESTRICTION FOR FUNGUS, WET ROT, DRY ROT AND BACTERIA
8S1019	0990	SCHEDULE OF LOSS PAYEES

COMMERCIAL INLAND MARINE  
CM 00 01 09 00

## COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### LOSS CONDITIONS

#### A. Abandonment

There can be no abandonment of any property to us.

#### B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

#### D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**E. Loss Payment**

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

**F. Other Insurance**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**G. Pair, Sets Or Parts****1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

**2. Parts**

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

**H. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

**I. Reinstatement Of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.



**J. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you.

This will not restrict your insurance.

**GENERAL CONDITIONS****A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. Control Of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

**D. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**E. Policy Period**

We cover loss or damage commencing

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

## COMMERCIAL INLAND MARINE

**DATA PROCESSING COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The word "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION F - DEFINITIONS.

**A. COVERAGE****1. Scheduled Coverages****a. Data Processing Equipment**

If a limit is shown in the Declarations for "data processing equipment" we will pay for "loss" to "data processing equipment" you own, lease, or rent from others or that you are legally responsible for. Such "loss" must be from RISKS OF DIRECT PHYSICAL "LOSS" except those causes of "loss" listed in the Exclusions.

**b. Data, Media, and Computer Programs**

If a limit is shown in the Declarations for "data," "media," and computer programs we will pay for "loss" to "data," computer programs, software, and "media" you own, lease, or rent from others or that you are legally responsible for. Such "loss" must be from RISKS OF DIRECT PHYSICAL "LOSS" except those causes of "loss" listed in the Exclusions.

**c. Extra Expense**

(1) If a limit is shown in the Declarations for extra expense we will pay the actual and necessary extra expenses you have to continue your normal data processing operations because of direct physical "loss" to any of the following:

- (a) Property insured under this Coverage Form;
- (b) The building housing your data processing operations if the damage prevents you from using your data processing facilities; or
- (c) The air conditioning or electrical systems needed to operate your data processing equipment if such damage to the system occurs inside the building or within 100 feet of it.

Such "loss" must have occurred during the "policy period."

(2) Extra expenses are operating expenses over and above those you would normally have had in

conducting your operations if no damage had occurred, e.g., expenses for renting or using alternate property or facilities.

Extra expenses are combined with "data processing equipment," "data," and "media" "losses" and the deductible in the Declarations is applied to the total "loss" from any one occurrence.

(3) We will pay extra expenses from the date of "loss" until the date when the property in (1) above should reasonably have been repaired or replaced. If you get property to use temporarily until you resume your normal data processing operations, we will subtract its remaining value when we figure the total of your extra expenses. You agree to resume your normal operations as soon as possible.

(4) We will also cover necessary extra expenses you have in continuing data processing operations if you are prevented from getting to your facilities by the Health Department, Police Department, Fire Department, or other civil authority because of damage to property adjacent to any location scheduled in the Declarations. We will pay for these extra expenses from the time the damage occurs, up to two consecutive weeks.

The excluded causes listed in the Exclusions section of this Coverage Form for extra expenses are also excluded for the coverage in (4).

**d. Business Income**

(1) If a limit is shown in the Declarations for business income we will pay for the time your business operations are totally or partially interrupted subject to the total limit and limit for each working day. Such interruptions of your business operations must have resulted from direct physical "loss" to any of the following:

- (a) Property insured under this Coverage Form;
- (b) The building housing your data processing operations if the damage prevents you from using your data processing facilities; or
- (c) The air conditioning or electrical systems needed to operate your data processing equipment if such damage to the system occurs inside the building or within 100 feet of it.

Such "loss" must have occurred during the "policy period."

Business income is subject to the applicable deductible shown in the Declarations.

## (2) Total Interruption

We will pay the amount shown in the Declarations as the limit for each working day at the covered location for each 24 hour day when you cannot perform your data processing operations.

If during the time of interruption you could resume partial operations we will pay from that time according to (3) below.

## (3) Partial Interruption

We will pay a percentage of your limit for each working day, at the covered location, for any partial interruption of your data processing operations. The percentage will equal your lost production divided by your normal production (production if no loss had occurred).

For example:

A fire at a covered location causes a shutdown of part of your data processing operations, causing a \$50,000 loss of production. Your normal production would have been \$250,000 for the period. Your business income limit for each working day is \$3,000.

$$\frac{\$50,000 \text{ (lost production)}}{\$250,000 \text{ (normal production)}} = .20 \times \$3,000 = \$600$$

\$600 is the applicable business income limit for each working day. Our coverage is still subject to the total limit as shown in (4) below.

## (4) Total Limit

We will pay for business income from the date of "loss" until the date

when the property in (1) above should reasonably have been repaired or replaced, but the most we will pay for "loss" in any one occurrence is the total limit for business income.

## (5) Civil Authority

We will also make business income payments if you are prevented from getting to your facilities by the Health Department, Police Department, Fire Department, or other civil authority because of damage to property adjacent to any location scheduled in the Declarations. Coverage will begin at the time the damage occurs and will continue for up to two consecutive weeks.

The excluded causes listed in the Exclusions section of this Coverage Form for business income are also excluded for the coverage in (5).

## (6) Helping to Reduce Your Loss

- (a) If you can help restore your business income by resuming operations at the affected location or by making use of other property at other locations, you must do so.
- (b) We will pay any expenses you have that are necessary to restore your business income (except expenses for putting out a fire). We will not pay those expenses that exceed the amount by which they restore your business income.

## 2. Covered Equipment - Leased or Rented

- a. You must advise us within 30 days of any change in a lease or rental agreement for "data processing equipment" which affects your legal responsibility for "loss" to such equipment.

## 3. Property Not Covered:

- a. Contraband, or property in the course of illegal transportation or trade;
- b. Property you rent or lease to others while it's away from your locations;
- c. "Data" or "media" which can't be replaced with others of the same kind or quality unless insured for a specific amount per article; and
- d. Program supportive documentation such as flow charts, record formats, or narrative descriptions, unless they are converted to "data" form, and then only in that form.



**4. Additional Coverages****a. Collapse**

We will pay for direct "loss" caused by or resulting from risks of direct physical "loss" involving collapse of a building or any part of a building or structure caused only by one or more of the following.

- (1) Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice, or sleet; water damage; all only as covered in this Coverage Form;
- (2) Hidden decay;
- (3) Hidden insect or vermin damage;
- (4) Weight of people or personal property;
- (5) Weight of rain that collects on a roof;
- (6) Use of defective materials or methods in construction, remodeling, or renovation if the collapse occurs during the course of the construction, remodeling, or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

**b. Fire Extinguishing Systems Discharge**

- (1) We will pay for the cost to refill, provided you do refill, your fire extinguishing protection systems installed to protect your data processing operations if they discharge as intended to control loss or damage covered by this Coverage Form.

If you and we agree, you may refill your discharged fire extinguishing protection system with an alternate extinguishing agent. The alternate extinguishing agent must be mutually agreed upon and must be approved by Underwriters Laboratories, Inc. or another nationally recognized testing laboratory. We will not pay for the cost to adapt your extinguishing system to your alternate choice of extinguishing agents.

- (2) We will also pay such cost if the systems discharge accidentally, but not if they discharge during installation, repair, or recharging.
- (3) You must keep the system in proper working order and repair to maintain this Coverage.

**c. Debris Removal**

- (1) We will pay the cost of removing debris of covered "data," "data processing equipment," and "media" that is damaged or destroyed by a "loss" insured under this Coverage Form. The "loss" must have occurred during the policy period.
- (2) The only coverage provided by this Coverage Form for clean up or removal of "pollutants" is the limited coverage under the Additional Coverage for Pollutant Clean Up and Removal.

**d. Preservation of Property**

We will pay, according to the terms of this policy, for direct physical "loss" to covered property while being moved from premises endangered by "loss" which would be insured on this Coverage Form, or at the premises to which it is moved. You must advise us in writing within ten days after the property is first moved.

**e. Pollutant Clean Up and Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the release, discharge, or dispersal of the "pollutants" is caused by or results from direct physical "loss" insured under this Coverage Form. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical "loss"; or
- (2) The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of covered "loss" occurring during each separate 12 month period of this policy.

**f. Coverage for Checks**

If you are a financial institution we will cover the replacement of the following items as "data" if they are in the form shown:

- (1) Checks that are cashed or deposited from the time their face value has been encoded on them; or
- (2) Other documents from the time the code numbers that apply have been encoded on them.

Our coverage is only for such items' value as "data" and not their face value.

**g. Duplicate and Backup Data**

If you store duplicate and backup "data" in a separate building at least 100 feet from any scheduled location and there is no other insurance for such "data," we will provide up to \$50,000 of "data" and "media" coverage at such location.



Any greater limit must be purchased and scheduled specifically.

**h. Mechanical/Electrical Breakdown Coverage - Data Processing**

We will pay according to the terms of this policy and subject to the Breakdown Deductible, for direct physical "loss" to covered "data processing equipment," "data" and "media" inside your building. But only if such "loss" is caused by:

1. Mechanical breakdown or machinery breakdown; or
2. Short circuit, blow-out, or other electrical damage to electrical equipment, apparatus, or devices including wiring, or "media."

We will not pay for "loss" caused by any change in your electric power supply, such as interruption, power surge or brown-out, if the change originates more than 1,000 feet from the building containing your "data processing equipment."

As respects this Additional Coverage, exclusions 4.b., 4.f. and 4.h. do not apply.

**5. Coverage Extensions**

**a. Newly Acquired Equipment**

- (1) We will pay for "loss" to newly acquired "data processing equipment" up to 25% of the Limit of Insurance for Data Processing Equipment at any Fixed Location shown in the Declarations.

Our maximum limit of insurance for this extension is \$100,000. This insurance and limit apply for each location shown in the Declarations or to newly acquired equipment at any new location.

- (2) You must report such new equipment to us within 60 days of its acquisition for coverage to apply. You agree to pay the extra premium for such additional equipment from the date you acquired it.

**b. New Location Coverage**

- (1) We will pay for "loss" to "data processing equipment" we already covered at any new location you occupy up to \$100,000 per new location.
- (2) You must report such new location to us within 60 days of the date of moving any "data processing equipment" to it for coverage to apply. You agree to pay any required additional premium if the rate for the new location is different from the old.

**B. EXCLUSIONS**

1. We will not pay for "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss":
  - a. **Governmental Action**  
Seizure or destruction of property by order of governmental authority. But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.
  - b. **Nuclear Hazard**
    - (1) Any weapon employing atomic fission or fusion; or
    - (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.
  - c. **War and Military Action**
    - (1) War, including undeclared or civil war;
    - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
    - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
  - d. **Pollution**
    - (1) Release, discharge, or dispersal of "pollutants."
    - (2) Removal, disposal, decontamination, or replacement of insured property which has been contaminated by "pollutants" and by law or civil authority must be restored, disposed of, or decontaminated.

See the limited coverage for Pollutant Clean Up or Removal in the Additional Coverages section of this Coverage Form.

2. We will not pay under the Extra Expense Coverage for:
  - a. Loss of income or any related indirect loss such as loss of a sale or market.
  - b. Direct or indirect damage to property or "loss" that is insurable under a property damage policy.

- c. The cost to repair or replace any damaged physical property. However, we will pay any expenses you incur over the normal cost of such repair or replacement which is necessary to reduce your total extra expenses due to a covered loss.

The most we will pay for such extra expense for repair or replacement is the amount by which it reduces your total extra expense loss.

- 3. We will not pay under the Extra Expense or Business Income Coverages for extra expenses or reduced income caused by:

- a. **Strikes**

Strikers or other persons interference with rebuilding, repairing, or replacing work at the site of your damaged business causing a delay in resumption of your normal business operations.

- b. **Programming Errors**

Programming errors or incorrect instructions to the machine.

- c. **Construction Laws**

Any law governing the construction, repair, or demolition of buildings or other structures.

- d. **Leases**

The suspension, cancellation, or lapse of a lease, contract, or order.

- 4. We will not pay for "loss" caused by or resulting from any of the following:

- a. **Delay**

Delay, loss of use, loss of market or any other consequential loss.

- b. **Mechanical Breakdown**

Mechanical breakdown, failure, changes in the arrangement of machine parts, error, omission, or deficiency in design, specifications, materials, or workmanship. But if a fire or explosion results, we will pay for "loss" caused by the fire or explosion.

- c. **Tricks**

Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device, or false pretense.

- d. **Unauthorized Instructions**

Unauthorized instructions to transfer property to any person or to any place.

- e. **Corrosion, Rust**

Corrosion, rust, or changes in humidity or temperature unless as the direct result of "loss" to the data processing system's air conditioning system caused by a peril insured against under this Coverage Form.

- f. **Processing**

Processing operations, or that which occurs while covered property is being worked on. But if a fire or explosion results, we will pay for "loss" caused by the fire or explosion.

- g. **Dishonest Acts**

Dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives, or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; and
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

- h. **Electricity**

Electricity, other than lightning, which causes damage to electrical equipment or wiring. But if a fire results, we will pay for "loss" caused by the fire.

- 5. We will not pay for "loss" caused by or resulting from any of the following. But if "loss" insured under this Coverage Form results, we will pay for that resulting "loss":

- a. Acts or decisions, including the failure to act or decide, of any person, group, organization, or governmental body.

- b. Faulty, inadequate, or defective:

- (1) Planning, zoning, development, surveying, siting;
  - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation, or remodeling; or
  - (4) Maintenance;
- of part or all of any property wherever located.

- c. **Collapse**

Collapse except as provided in the Additional Coverage - Collapse section of this Coverage Form.

- d. **Wear and Tear**

Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin, or rodents.

## C. LIMITS OF INSURANCE

- 1. The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations.



2. The limits that apply to "data processing equipment," "data," "media," and computer programs, extra expense coverage, and business income coverage are shown in the Declarations. These limits are the most we'll pay under these coverages no matter how many protected persons are involved or how many claims are made involving one event. Separate limits are shown for each location and each type of coverage.
3. These limits include any expense you have in protecting damaged property or salvage charges, and won't be reduced by any loss. There are two limits that apply to the business interruption coverage. The "each working day limit" is the most we'll pay per 24-hour day when you would normally conduct business. The "total limit" is the total we'll pay for each interruption at any one location.
4. The limits applicable to the Coverage Extensions and the Pollutant Clean Up and Removal Additional Coverage are in addition to the Limits of Insurance.
5. Payments under the following Additional Coverage will not increase the applicable Limit of Insurance:
  - a. Preservation of Property; or
  - b. Debris Removal; but if the sum of direct physical "loss" and debris removal expense exceeds the Limit of Insurance we will pay up to an additional \$5,000 for each of your locations in any one occurrence under the Debris Removal Additional Coverage.

#### **D. DEDUCTIBLE**

1. Except for "loss" covered under Additional Coverage h., Mechanical/Electrical Breakdown Coverage, we will not pay for "loss" in any one occurrence until the amount of the adjusted "loss," before applying the applicable Limits of Insurance, exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limits of Insurance.
2. For "loss" covered under Additional Coverage h., Mechanical/Electrical Breakdown Coverage, we will not pay for "loss" in any one occurrence until the amount of the adjusted "loss," before applying the applicable Limit of Insurance, exceeds the Breakdown Deductible shown in the Declarations. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

#### **E. DATA PROCESSING CONDITIONS**

For insurance provided by this Coverage Form, the Commercial Inland Marine Conditions and the Common Policy Conditions apply except as stated below:

1. The following condition replaces Loss Condition F., OTHER INSURANCE, of the Commercial Inland Marine Conditions:

##### **F. Other Insurance**

1. If there is other insurance available to cover the same "loss" as the insurance under this Coverage Form what we will pay depends on what property is involved and what type of other insurance exists. In any event the amount of our deductible will be taken from our payment and our maximum payment will be the limit in our Declarations Schedule.

##### **2. Other Data Processing Insurance**

If other data processing insurance covers a "loss" to "data processing equipment," "data," or "media" and the "loss" is also covered under this Coverage Form, we will pay only the excess over what you should have received from the other insurance. We will pay the excess whether you can collect on the other insurance or not.

##### **3. Other Property Insurance**

If insurance other than data processing insurance covers a loss to "data processing equipment," "data," or "media" and the loss is also covered under this Coverage Form, this Coverage Form is primary insurance. This means we'll pay your covered "loss" up to the limit of coverage that applies. Any "loss" over that limit will be the responsibility of the other insurance.

##### **4. Other Extra Expense or Business Income Insurance**

If any other insurance covers any extra expense or business income that is also covered under this Coverage Form, we will pay only the excess over what you should have received from the other insurance. We will pay the excess whether you can collect on the other insurance or not.

2. The following condition replaces General Condition A., CONCEALMENT, MISREPRESENTATION OR FRAUD, of the Commercial Inland Marine Conditions:

##### **A. Concealment, Misrepresentation, or Fraud**

This Coverage Part is void in any case of fraud by you relating to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
  2. The covered property;
  3. Your interest in the covered property; or
  4. A claim under this Coverage Part.
3. The following condition replaces General Condition D., POLICY PERIOD, of the Commercial Inland Marine Conditions:

**D. Policy Period, Coverage Territory**

1. We cover "loss" commencing during the policy period shown in the Declarations and within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.
4. The following condition replaces General Condition E., VALUATION, of the Commercial Inland Marine Conditions:

**E. Valuation**

In the event of "loss" the value of "data processing equipment" will be determined as of the time of "loss" on one of the following bases as noted in the Declarations Schedule:

1. Actual cash value of that property;
2. Replacement cost, meaning the cost of repairing or replacing the property with material of the same kind and quality, but not more than the limit of coverage that applies to the equipment; or
3. Upgraded value, meaning the cost of replacing destroyed equipment with equipment which can perform the same function as the destroyed equipment, but has greater processing ability. The following conditions apply for upgraded value:
  - a. You must give us a list of equipment including:
    - (1) A description and current replacement cost for each piece of insured equipment which you plan to upgrade; and
    - (2) The description and current cost for each upgraded item.
  - b. There must be a total "loss" of the currently insured equipment. For partial loss we will pay for the equipment on a replacement cost basis as explained in 2. above.
  - c. We will not pay you more than the least of the following:

- (1) The amount you actually spend to replace the current item;
- (2) The amount you showed as the current cost of the upgraded item on the latest list you gave to us; or
- (3) The limit of coverage that applies to the equipment.

- d. We will not pay on an upgraded value basis until you have purchased the upgraded item and given us the description and current cost of the upgraded item. Before that we will pay for the equipment on a replacement cost basis as explained in 2. above.

For "data" and "media" valuation will be based on the actual cost of reproduction of such "data" and "media" provided you actually do replace or reproduce them; otherwise on the value of the blank "media" on which the "data" is recorded.

**5. Additional Conditions**

The following Conditions are added:

**a. Liberalization**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium, within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**b. Additional Loss Payment Conditions**

- (1) In the event of "loss" covered by this Coverage Part, at our option, we will either:
  - (a) Pay the value of lost or damaged property as determined in E., Valuation, above;
  - (b) Pay the cost of repairing or replacing the lost or damaged property;
  - (c) Take all or any part of the property at an agreed or appraised value; or
  - (d) Repair, rebuild, or replace the property with other property of like kind and quality.
- (2) We will give notice of our intentions within 30 days after we received the sworn statement of loss.
- (3) We will not pay you more than your financial interest in the covered property.



- (4) We may adjust "losses" with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the covered property.
- (5) We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- (6) We will pay for covered "loss" within 30 days after we receive the sworn statement of loss, if:
  - (a) You have complied with all of the terms of this Coverage Part; and
  - (b) You and we have agreed on the amount of loss or an appraisal award has been made.

#### c. Coinsurance

All "data processing equipment" items that are covered must be insured for at least 90% of their total value as of the time of "loss" or you will incur a penalty. Value is to be determined on either an actual cash value, replacement cost, or upgraded value basis as shown in the Declarations.

We will not pay the full amount of any "loss" if the Limit of Insurance for the property is less than 90% of the total value of the covered property at the time of "loss."

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of "loss" by .90;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);
- (3) Multiply the total amount of the covered "loss," before the application of any deductible, by the figure determined in step (2); and
- (4) Subtract the deductible from the figure determined in step (3).

The amount determined in step (4) is the most we will pay. For the remainder, you will either have to rely on other insurance or absorb the "loss" yourself.

Example:

- Property value is \$100,000 (at time of "loss")	\$100,000
	x .90
Step (1)	\$ 90,000
- Limit of Insurance is \$45,000	\$45,000 ÷ \$90,000
Step (2)	= .50
- Amount of "loss" is \$10,000	\$10,000
	x .50
Step (3)	\$ 5,000
- Deductible amount (if \$100)	\$ 5,000
	- \$100
Step (4)	\$ 4,900

To have received full payment, except for the deductible, you would have had to carry a Limit of Insurance of at least \$90,000.

#### F. DEFINITIONS

1. "Data" means facts, concepts, or instructions in a form usable for communication, interpretation, or processing by automatic means. It includes computer programs, but not "media."
2. "Data Processing Equipment" means a network of machine components capable of accepting information, processing it according to a plan, and producing a desired result. It does not include "data," "media," computer programs, or software. It also includes air conditioning equipment used exclusively in your data processing operations.
3. "Loss" means accidental loss or damage.
4. "Media" means materials on which "data" are recorded, such as magnetic tapes, disks, disk packs, drums, paper tapes, and cards.
5. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

## UTICA NATIONAL INSURANCE GROUP

Issuing

Company:

A MEMBER OF UTICA NATIONAL INSURANCE GROUP

# COMMERCIAL INLAND MARINE COVERAGE PART

## DATA PROCESSING DECLARATIONS

The following spaces preceded by an asterisk (\*) need not be completed if this Coverage Form and the Policy have the same inception date.

Attached To and Forming Part of Policy No.	*Effective Date of Coverage Form	*Issued To
CPP 2054275		

In return for payment of the premium, and subject to all the terms of this policy we agree with you to provide the insurance as stated in this policy. Coverage is provided only where a limit is shown.

## Schedule

<b>Data Processing Equipment</b>		<b>Valuation of Equipment</b> <input type="checkbox"/> Actual Cash Value <input checked="" type="checkbox"/> Replacement Cost <input type="checkbox"/> Upgraded Value		
Location No.	Location Description	Limit of Insurance		
		\$985,513		
<b>Data, Media, and Computer Programs Limits</b>				
Loc. No.	Limit of Insurance	Valued on cost to reproduce unless a specific per item amount is listed.		
1.	\$			
2.	\$			
Loc. No.	Specific Articles	No.	Value of Each	Total Value
1.		X	\$	\$
2.		X	\$	\$
<b>Optional Blanket Coverage</b>				
Locations	Limit of Insurance	Blanket Description		
<b>Extra Expense Coverage Limits</b>				
Loc. No.		<b>Business Income Coverage Limits</b>		
		Loc. No.	Each Working Day	Total Value
1.	\$	1.	\$	\$
2.	\$	2.	\$	\$
Deductible for: "Data Processing Equipment," "Data," "Media," and Extra Expense Coverage including, (optional)				
Additional Coverages, except Breakdown Coverage:		\$ \$250		
Breakdown Coverage:		\$ \$1,000		
Business Income Coverage:		\$ or hours (optional)		
<b>Loss Payable Clause:</b> For covered property in which both you and a Loss Payee shown in the Schedule below have an insurable interest we will adjust "losses" with you and pay any claim for "loss" jointly to you and the Loss Payee, as interests may appear.				
<b>*Schedule of Loss Payees</b>				
Loc. No.	Description of Property	Loss Payee (Name and Address)		
<b>Advance Premium</b> Premium shown is payable **\$ at inception; \$ Total Advance Premium \$ 1st Anniversary; \$ 2nd Anniversary				
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue† :				

By

Company Officer

\*\*Entry optional if shown in Common Policy Declarations. † Forms and Endorsements applicable to this Coverage Form omitted if shown elsewhere in the policy. These declarations and the common policy declarations, if applicable, together with the common policy conditions, coverage form(s) and forms and endorsements, if any, issued to form a part thereof complete the above numbered policy. (See Data Processing Conditions E. 1 and 2.)

COMMERCIAL INLAND MARINE  
BUSINESSOWNERS

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## DATA PROCESSING BREAKDOWN COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

### DATA PROCESSING COVERAGE FORM

As respects the coverage provided by this endorsement, exclusions 4.b., 4.f. and 4.h. do not apply.

The following is added to part 4., Additional Coverages (SECTION A):

#### **h. Mechanical/Electrical Breakdown Coverage**

1. We will pay, according to the terms of this policy and subject to the breakdown deductible, for direct physical "loss" caused by "equipment breakdown" to covered "data processing equipment," "data" and "media" inside your building.

We will not pay for "loss" caused by any change in your electrical power supply, such as interruption, power surge or brown-out, if the change originates more than 1,000 feet from the building containing your "data processing equipment."

2. As respects this Additional Coverage: "Equipment breakdown":

#### **a. Means:**

- (1) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires; or
- (2) Mechanical breakdown, including rupture or bursting caused by centrifugal force.

#### **b. Does not mean:**

- (1) Any actual or alleged failure, malfunction or inadequacy of:
  - (a) Any of the following, whether belonging to the insured or to others:
    - (i) Computer hardware, including microprocessors;
    - (ii) Computer application software or other electronic media and records;

(iii) Computer operating systems and related software;

(iv) Computer networks;

(v) Microprocessors (computer chips) not part of any computer system; or

(vi) Any other computerized or electronic equipment or components; or

(b) Any other products, and any services, data or functions; whether belonging to or provided by the insured or others; that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph 2.b.(1)(a) above;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize dates in or after the year 2000.

(2) Your, or anyone on your behalf, providing or failing to provide advice, consultation, design, evaluation, inspection, installation, maintenance, repair, modification, replacement or supervision for the purpose of:

(a) Defining, correcting or testing for any potential or actual problem described in paragraph 2.b.(1) above; or

(b) Correcting any deficiencies or changing any features of any items described in paragraph 2.b.(1) above.



POLICY NUMBER: CPP 2054275

COMMERCIAL INLAND MARINE

## INSTALLATION FLOATER COVERAGE FORM

Various provisions in this form restrict coverage. Read the entire form carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meanings. Refer to Section F — DEFINITIONS.

### SCHEDULE

Description of Property: SCHEDULED LIGHTING FIXTURE EQUIPMENT AND ELECTRICAL EQUIP  
PER INSURED'S BID SCHEDULE A-1-A ON FILE WITH INSURER

Job Site Located at: CENTRAL OFFICE AND 12 SCHOOL LOCATIONS OF THE INDIAN RIVER  
SCHOOL DISTRICT

This Company's Limit of Insurance will not exceed:

- (1) At any one job site: \$ 555,669
- (2) While in transit: \$ 555,669
- (3) Due to "loss" in any one occurrence, either partial "loss," total "loss" or expense or all combined \$ 555,669

Deductible: \$ 250.

Rate per \$100.00 of Value \$ .75

### A. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

#### 1. Covered Property, as used in this Coverage Form means:

Your property or property of others for which you are liable which is destined for installation and which is specified in the Schedule in this Form:

- a. While in transit within the Continental United States except while waterborne (other than while on regular ferries or railroad carfloats);
- b. After delivery at a job site scheduled in this form while there awaiting and during installation until:
  - (1) Acceptance by the owner or purchaser; or
  - (2) Thirty (30) days after completion of the project; or
  - (3) The expiration of this insurance; whichever occurs first.

However, this property will cease to be covered once the project or any part of it is completed and put to its intended use.

#### 2. Property Not Covered

Covered Property does not include:

- a. Contraband or property in the course of illegal transportation or trade;
- b. Building material or supplies after they have become a part of any realty;
- c. Tools, contractor's equipment, and any property not a part of or destined to become a part of the installation described in the Schedule in this form. However, tools and equipment whose cost is included in the contract price and reported to us for premium purposes is covered.

#### 3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

#### 4. Additional Coverage — Collapse

We will pay for direct "loss" caused by or resulting from risks of direct physical "loss" involving collapse of all or part of a building or structure caused by one or more of the following:



- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as covered in this Coverage Form;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

## B. EXCLUSIONS

1. We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."

### a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

### b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

### c. War and Military Action

- (1) War including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for a "loss" caused by or resulting from any of the following:

- a. Delay; loss of market; indirect or consequential loss of any kind; mysterious disappearance; unexplained loss; or shortage disclosed upon taking inventory;

- b. Dishonest acts by you, anyone else with an interest in the property, your or their employees or authorized representatives or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.

But this exclusion does not apply to a carrier for hire.

- c. Artificially generated current creating a short circuit or other electric disturbance within property covered under this Coverage Form.

But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.

This exclusion only applies to "loss" to property in which the disturbance occurs.

- d. Testing caused by or resulting from explosion, rupture or bursting of steam boilers, steam pipes, steam turbines, or steam engines; or to rotating parts of machinery caused by centrifugal force.

But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.

- e. Flood, however caused, inundation, surface waters, high water or overflow, waves, tide or tidal wave or spray from waves. This includes the backing up of sewers and drains resulting from any of the foregoing. All of these causes are excluded:

- (1) Whether or not caused by water inundating or flooding land, the rising of or the breaking of boundaries of natural or man-made lakes, reservoirs, rivers or other bodies of water, or the accumulation on land of water resulting from natural sources; and
- (2) Whether driven by wind or not; or
- (3) Whether caused by or attributable to earthquake or other earth movement.

But this exclusion will not apply to property in transit nor to "loss" caused by resulting fire or explosion if these causes of "loss" would be covered under this Coverage Form.

- f. Water from natural sources which seeps, leaks or flows through basement walls, including their doors, windows and other openings, foundations, basements, floors, sidewalks or sidewalk lights. But we will pay

for direct "loss" caused by the seepage, leakage or flow of water resulting from physical damage to the premises containing Covered Property by a Covered Cause of Loss.

- g. Earthquake or other earth movement. However, this exclusion does not apply to Covered Property while in transit. We will also pay for direct "loss" caused by resulting fire, explosion or smoke if these causes of "loss" would be covered under this Coverage Form.
  - h. The enforcement of any local or state ordinance or law regulating the construction, repair or demolition of building(s) or structure(s).
3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss."
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance;
 of part or all of any property wherever located.
  - d. Collapse except as provided in the Additional Coverage — Collapse section of this Coverage Form.
  - e. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation; mechanical breakdown; insects, vermin, rodents; corrosion, rust, dampness, cold or heat.

### C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Schedule in this Form.

### D. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible shown in the Schedule in this Form. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

### E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

#### 1. Coverage Territory

We cover property wherever located within:

- a. The United States of America;
- b. Puerto Rico; and
- c. Canada.

#### 2. Audit

You agree to keep a true record of all values for Covered Property. Such records will be open to inspection by us at all times during your business hours. They will also be kept for at least one year after the policy period.

#### 3. Report of Values/Premium Adjustments

You agree to keep an accurate record of all values of Covered Property which is involved on all jobs insured under this policy. These values will include the delivered value of the Covered Property and the incurred or earned labor charges on it.

You also agree to report these values to us no later than the 15th day of each month after the month in which this policy is issued. You agree to report under one of these options:

- a. (1) Total values at risk awaiting installation and,
- (2) Total values installed and accepted during the prior month; or,
- b. (1) Total values at risk awaiting installation and,
- (2) Total values installed and awaiting acceptance.

It is agreed that premium will be computed and paid based on the above reported values at the rate per \$100.00 shown on the Schedule in this Form after the Premium for this Coverage Part shown on the Declarations is exhausted.

### F. DEFINITIONS

"Loss" means accidental loss or damage.

COMMERCIAL INLAND MARINE  
COMMERCIAL PROPERTY**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****MECHANICAL/ELECTRICAL BREAKDOWN REDEFINED**

This endorsement modifies insurance provided under the following:

**DATA PROCESSING COVERAGE FORM**

Additional Coverage h. Mechanical/Electrical Breakdown Coverage - Data Processing is replaced by the following:

**Data Processing Mechanical/Electrical Breakdown**

1. We will pay according to the terms of this policy and subject to the Breakdown Deductible, for direct physical "loss" caused by "equipment breakdown to covered "data processing equipment," "data" and "media" inside your building.

We will not pay for "loss" caused by any change in your electrical power supply, such as interruption, power surge or brown-out, if the change originates more than 1,000 feet from the building containing your "data processing equipment."

2. As respects this Additional Coverage:

- a. "Equipment breakdown" means:

- (1) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (2) Mechanical breakdown, including rupture or bursting caused by centrifugal force;

- b. "Equipment breakdown" does not mean:

- (1) Any actual or alleged failure, malfunction or inadequacy of:
  - (a) Any of the following, whether belonging to the insured or to others:
    - (i) Computer hardware, including microprocessors;
    - (ii) Computer application software or other electronic media and records;

- (iii) Computer operating systems and related software;

- (iv) Computer networks;

- (v) Microprocessors (computer chips) not part of any computer system; or

- (vi) Any other computerized or electronic equipment or components; or

- (b) Any other products, and any services, data or functions; whether belonging to or provided by the insured or others; that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph 2.b.(1)(a) above;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize dates in or after the year 2000.

- (2) Your, or anyone on your behalf, providing or failing to provide advice, consultation, design, evaluation, inspection, installation, maintenance, repair, modification, replacement or supervision for the purpose of:

- (a) Defining, correcting or testing for any potential or actual problem described in paragraph 2.(b)(1) above; or

- (b) Correcting any deficiencies or changing any features of any items described in paragraph 2.(b)(1) above.

3. As respects this Additional Coverage, Exclusions 4.b., 4.f. and 4.h. do not apply.



POLICY NUMBER:

COMMERCIAL INLAND MARINE

## MISCELLANEOUS PROPERTY FLOATER COVERAGE FORM

Various provisions in this form restrict coverage. Read the entire form carefully to determine rights, duties and what is and is not covered.

Throughout this form, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F — DEFINITIONS.

### A. DESCRIPTION

Description of Property	Limit of Insurance
SEE DECLARATIONS	
Deductible: SEE DECLARATIONS	

### B. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

**1. Covered Property**, as used in this Coverage Form, means:

Your property, or property of others in your care, custody or control, described in this Form.

**2. Property Not Covered**

Covered Property does not include:

Contraband, or property in the course of illegal transportation or trade.

**3. Covered Causes of Loss**

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

**4. Additional Coverage — Collapse**

We will pay for direct "loss" caused by or resulting from risks of direct physical "loss" involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as covered in this Coverage Form;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;

e. Weight of rain that collects on a roof;

f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

### C. EXCLUSIONS

- 1.** We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."

**a. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

**b. Nuclear Hazard**

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.



**c. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

**2. We will not pay for a "loss" caused by or resulting from any of the following:**

- a. Dishonest acts by you, anyone else with an interest in the property, your or their employees or authorized representatives or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.

But this exclusion does not apply to a carrier for hire.

- b. Artificially generated current creating a short circuit or other electric disturbance within an article covered under this Coverage Form.

But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.

This exclusion only applies to "loss" to that article in which the disturbance occurs.

- c. Unexplained disappearance.

- d. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- e. Unauthorized instructions to transfer property to any person or to any place.

- f. Processing or work upon the property.

But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.

- g. Carelessness or rough handling or disregard of reasonable precautions by you or your employees.

**3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."**

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss."

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

or part or all of any property wherever located.

- d. Collapse except as provided in the Additional Coverage — Collapse section of this Coverage Form.

- e. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation, mechanical breakdown, insects, vermin, rodents, corrosion, rust, dampness, cold or heat.

**D. LIMITS OF INSURANCE**

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in this Form.

**E. DEDUCTIBLE**

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limit of Insurance exceeds the Deductible shown in this Form. We will then pay the amount of the adjusted "loss" in excess of the Deductible up to the applicable Limit of Insurance.

**F. ADDITIONAL CONDITIONS**

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

**1. Coverage Territory**

We cover property wherever located within:

- a. The United States of America;
- b. Puerto Rico; and
- c. Canada.

**2. Coinsurance**

All items must be insured for their total value as of the time of "loss" or you will incur a penalty.

The penalty is that we will pay only the proportion of any "loss" to these items that the Limit of Insurance shown in this Form for them bears to their total value as of the time of "loss."

**G. DEFINITIONS**

"Loss" means accidental loss or damage.

COMMERCIAL INLAND MARINE

## COVERAGE RESTRICTION FOR FUNGUS, WET ROT, DRY ROT AND BACTERIA

This endorsement modifies insurance provided under the following:

### INSTALLATION FLOATER COVERAGE FORM

**A. The following Additional Coverage is added to Section A. - Coverage:**

**Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

1. The coverage described in 2. below only applies when the "fungus", wet or dry rot or bacteria is the result of a "specified cause of loss" other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
2. We will pay for "loss" by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, "loss" is limited to:
  - a. Direct physical "loss" to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under 2. above of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all "loss" arising out of all occurrences of "specified causes of loss" other than fire or lightning which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of "loss" which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in "loss" by "fungus", wet or dry rot or bacteria, and other "loss", we will not pay more for the total of all "loss" than the applicable Limit of Insurance on the affected Covered Property.

If there is covered "loss" to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the "loss". Any such increase in the "loss" will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under the Additional Coverage - Collapse of this Coverage Form.

- B. The following Exclusion is added to part 1. of Section B. - Exclusions:

**"Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the "loss" caused by that "specified cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to "loss" by a cause of loss other than fire or lightning.

- C. The following definitions are added to the Definitions Section:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

"Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.



## **POLICYHOLDERS NOTICE**

THIS POLICYHOLDERS NOTICE PROVIDES A SUMMARY OF RECENT COVERAGE CHANGES THAT APPLY TO YOUR POLICY. THIS NOTICE PROVIDES NO COVERAGE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. FOR COMPLETE INFORMATION ON THE COVERAGES YOU HAVE, READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

PLEASE READ THIS NOTICE CAREFULLY.

**THIS NOTICE PERTAINS TO RESTRICTIONS OF COVERAGE FOR CLAIMS DUE TO FUNGUS, WET ROT, DRY ROT AND BACTERIA.**

**THE AREAS WITHIN THE POLICY THAT BROADEN, REDUCE OR CLARIFY COVERAGE ARE HIGHLIGHTED BELOW. THE MATERIAL IS ORGANIZED BY COVERAGE FORMS; HOWEVER, NOT ALL COVERAGE FORMS ARE INCLUDED IN A PARTICULAR POLICY.**

### **Changes To The Builders Risk Coverage Form:**

#### **Reductions In Coverage**

- An endorsement was added which excludes coverage for loss or damage due to fungus, wet rot, dry rot and bacteria. This exclusion does not apply when fungus, wet rot, dry rot or bacteria results from fire or lightning or to the extent that coverage is provided in the endorsement's Limited Coverage For Fungus, Wet Rot, Dry Rot And Bacteria. This Limited Coverage provides \$15,000 coverage for loss or damage from fungus, wet rot, dry rot or bacteria for the term of the policy, regardless of the number of claims. Such loss or damage must be the result of one or more of the causes of loss described in the endorsement as applicable to the affected premises. The \$15,000 does not increase the amount of insurance on the affected property and represents a reduction in coverage.

#### **Potential Reduction Of Coverage**

- The exclusion for Continuous or Repeated Seepage or Leakage of Water that occurs over a period of 14 days or more has been revised by adding reference to the presence or condensation of humidity, moisture or vapor. Under certain circumstances this could be viewed as a reduction in coverage.

### **Changes To The Installation Floater Coverage Form:**

#### **Reductions In Coverage**

- An endorsement was added which excludes coverage for loss or damage due to fungus, wet rot, dry rot and bacteria. This exclusion does not apply when fungus, wet rot, dry rot or bacteria results from fire or lightning or to the extent that coverage is provided in the endorsement's Limited Coverage For Fungus, Wet Rot, Dry Rot And Bacteria. This Limited Coverage provides \$15,000 coverage for loss or damage from fungus, wet rot, dry rot or bacteria for the term of the policy, regardless of the number of claims. Such loss or damage must be the result of one or more of the causes of loss described in the endorsement as applicable to the affected premises. The \$15,000 does not increase the amount of insurance on the affected property and represents a reduction in coverage.



## **Changes To The Data Processing Coverage Form And The Mini / Micro Computer Coverage Form:**

### **Reductions In Coverage**

- An endorsement was added which excludes coverage for loss or damage due to fungus, wet rot, dry rot and bacteria. This exclusion does not apply when fungus, wet rot, dry rot or bacteria results from fire or lightning or to the extent that coverage is provided in the endorsement's Limited Coverage For Fungus, Wet Rot, Dry Rot And Bacteria. This Limited Coverage provides \$15,000 coverage for loss or damage from fungus, wet rot, dry rot or bacteria for the term of the policy, regardless of the number of claims. Such loss or damage must be the result of one or more of the causes of loss described in the endorsement as applicable to the affected premises. The \$15,000 does not increase the amount of insurance on the affected property and represents a reduction in coverage.
- If your policy includes coverage for Business Income and/or Extra Expense, when an interruption of your business operations is attributable to fungus, any payment under these coverages is limited to 30 days (not necessarily consecutive days). When an interruption of your business operations is attributable to other damage, but remediation of fungus prolongs the interruption, a delay of up to a total of 30 days is covered. In each case, the 30-day period represents a reduction in coverage.

Please consult with your agent or broker if you have any questions.



**Utica National Insurance Group**

Insurance that starts with you.

Utica Mutual Insurance Company and its affiliated companies, New Hartford, N.Y. 13413



JUSTICE NATION

PAGE 1

GRAPHIC ARTS MUTUAL INS. CO.  
180 GENESEE STREET  
NEW HARTFORD, NY 13413

R3897  
THE L & W AGENCY  
P O BOX 918  
DOVER, DE 19904  
(302) 674-3500

## ITEM ONE

POLICY NUMBER: CPP 2054275  
RENEWAL OF CPP 2054275

NAMED INSURED: INDIAN RIVER SCHOOL DISTRICT

ADDRESS: R.D. #2 BOX 236  
FRANKFORD, DE 19945

FORM OF BUSINESS: OTHER

BUSINESS DESCRIPTION: PUBLIC SCHOOL SYSTEM

POLICY PERIOD: FROM 08-01-04 TO 08-01-05 12:01 A.M. Standard Time at your address shown above.

In return for the payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

## COMMERCIAL AUTO COVERAGE PART — DECLARATIONS

## ITEM TWO — SCHEDULE OF COVERAGES AND COVERED AUTOS

This policy provides only the following coverages which are indicated by a premium entry. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Auto Section of the Business Auto Coverage Form next to the name of the coverage.

COVERAGES	COVERED AUTOS (Entry of one or more symbols shows which autos are covered autos)	LIMITS THE MOST WE WILL PAY FOR ONE ACCIDENT OR LOSS (If no entry, see ITEM THREE)	PREMIUM
LIABILITY	8 9	\$ 1,000,000	\$ 835
PERSONAL INJURY PROTECTION (P.I.P.) (or equivalent No-Fault Cov.)	5	SEPARATELY STATED IN EACH P.I.P. ENDORSEMENT MINUS Deductible	\$ 63
NEW YORK P.I.P. TOTAL (See New York Supplemental Declarations 8-E-1821)			
ADDED P.I.P. (or equivalent added No-Fault Cov.)		SEPARATELY STATED IN EACH ADDED P.I.P. ENDORSEMENT	
PROPERTY PROTECTION INSURANCE (P.P.I.) (Michigan Only)		SEPARATELY STATED IN THE P.P.I. ENDORSEMENT MINUS Deductible FOR EACH ACCIDENT	
AUTO MEDICAL PAYMENTS			
UNINSURED MOTORISTS OR SUPPLEMENTARY UNINSURED MOTORISTS (SUM) (NY ONLY) (If Supplemental Declarations 8-E-1892 is attached)	7	\$ 1,000,000	\$ 98
UNDERINSURED MOTORISTS (When not included in Uninsured Motorists Coverage) (Not for NY)			
PHYSICAL DAMAGE COVERAGE		ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS:	
COMPREHENSIVE	8	\$ 100 Deductible FOR EACH COVERED AUTO FOR ALL LOSS EXCEPT FIRE OR LIGHTNING	\$ 109
SPECIFIED CAUSES OF LOSS		\$ Deductible FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM	
COLLISION TOWING AND LABOR	8	\$ 500 Deductible FOR EACH COVERED AUTO each disablement of a private passenger auto	\$ 132

FORMS AND ENDORSEMENTS APPLYING  
TO THIS COVERAGE PART: See 8-S-1018

PREMIUM FOR ENDORSEMENTS

ESTIMATED TOTAL PREMIUM \$ 1,237.00

REPRINT

CPP BAC 08 7 2054275

Company Officer

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

## DECLARATIONS - Continued

Policy No. CPP 2054275

PAGE 2

## TEM THREE - SCHEDULE OF COVERED AUTOS YOU OWN

Auto No. 001 95 INTER SCHOOL BUS  
1FDXB80C7SVA20524

COST NEW OR SYMBOL 25,000 CLASS 6254 GVW GCW AGE GROUP 6 RADIUS MILES 50 USE C

Principal Garaging: St. DE Ter. 003 Twn.  
FRANKFORD 19945

Loss Payee: Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss.

## COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES

LIABILITY	P.I.P. SELECTION	O.B.E.L. (NY only)	ADDED P.I.P.	MED PAY	PROP. PROT. (MI only)	
Limit 1,000,000 Premium 623.00	Ded. 63.00		Limit	Limit	Ded.	
<u>COMPREHENSIVE</u>		<u>SPEC. CAUSES</u>	<u>COLLISION</u>	<u>STATED AMOUNT</u> <u>SUBJECT TO CA9928</u>	<u>TOWING &amp; LABOR</u>	<u>TOTAL PREMIUM</u>
(Limit Stated in ITEM TWO Minus Ded.)						
Deductible 500 Premium 9.00		1000 32.00	Limit Premium			825.00

Auto No. COST NEW OR SYMBOL CLASS GVW GCW AGE GROUP RADIUS MILES USE

Principal Garaging: St. Ter. Twn.

Loss Payee: Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss.

## COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES

LIABILITY	P.I.P. SELECTION	O.B.E.L. (NY only)	ADDED P.I.P.	MED PAY	PROP. PROT. (MI only)	
Limit Premium	Ded.		Limit	Limit	Ded.	
<u>COMPREHENSIVE</u>		<u>SPEC. CAUSES</u>	<u>COLLISION</u>	<u>STATED AMOUNT</u> <u>SUBJECT TO CA9928</u>	<u>TOWING &amp; LABOR</u>	<u>TOTAL PREMIUM</u>
(Limit Stated in ITEM TWO Minus Ded.)						
Deductible Premium		Limit Premium				

Auto No. COST NEW OR SYMBOL CLASS GVW GCW AGE GROUP RADIUS MILES USE

Principal Garaging: St. Ter. Twn.

Loss Payee: Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss.

## COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES

LIABILITY	P.I.P. SELECTION	O.B.E.L. (NY only)	ADDED P.I.P.	MED PAY	PROP. PROT. (MI only)	
Limit Premium	Ded.		Limit	Limit	Ded.	
<u>COMPREHENSIVE</u>		<u>SPEC. CAUSES</u>	<u>COLLISION</u>	<u>STATED AMOUNT</u> <u>SUBJECT TO CA9928</u>	<u>TOWING &amp; LABOR</u>	<u>TOTAL PREMIUM</u>
(Limit Stated in ITEM TWO Minus Ded.)						
Deductible Premium		Limit Premium				

Auto No. COST NEW OR SYMBOL CLASS GVW GCW AGE GROUP RADIUS MILES USE

Principal Garaging: St. Ter. Twn.

Loss Payee: Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss.

## COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES

LIABILITY	P.I.P. SELECTION	O.B.E.L. (NY only)	ADDED P.I.P.	MED PAY	PROP. PROT. (MI only)	
Limit Premium	Ded.		Limit	Limit	Ded.	
<u>COMPREHENSIVE</u>		<u>SPEC. CAUSES</u>	<u>COLLISION</u>	<u>STATED AMOUNT</u> <u>SUBJECT TO CA9928</u>	<u>TOWING &amp; LABOR</u>	<u>TOTAL PREMIUM</u>
(Limit Stated in ITEM TWO Minus Ded.)						
Deductible Premium		Limit Premium				

**DECLARATIONS - Continued**

Policy No. CPP 2054275

PAGE 3

**ITEM FOUR-SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS**

## LIABILITY COVERAGE - RATING BASIS, COST OF HIRE

<u>STATE</u>	<u>ESTIMATED COST OF HIRE FOR EACH STATE</u>	<u>RATE PER EACH \$100 COST OF HIRE</u>	<u>PREMIUM</u>
DE			102.00

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

**TOTAL PREMIUM** 102.00

## PHYSICAL DAMAGE COVERAGE

<u>COVERAGES</u>	<u>LIMIT OF LIABILITY THE MOST WE WILL PAY, AND DEDUCTIBLE APPLICABLE</u>	<u>RATE</u>	<u>MINIMUM PREMIUM</u>	<u>PREMIUM</u>
COMPREHENSIVE	ACTUAL CASH VALUE, COST OF REPAIRS OR: <b>20,000</b> WHICHEVER IS LESS, MINUS <b>0100</b> Ded. FOR EACH COVERED "AUTO" FOR ALL LOSS EXCEPT FIRE OR LIGHTNING			100.00
SPECIFIED CAUSES OF LOSS	ACTUAL CASH VALUE, COST OF REPAIRS OR: WHICHEVER IS LESS, MINUS <b>\$25</b> Ded. FOR EACH COVERED "AUTO" FOR LOSS CAUSED BY MISCHIEF OR VANDALISM			
COLLISION	ACTUAL CASH VALUE, COST OF REPAIRS OR: <b>20,000</b> WHICHEVER IS LESS, MINUS <b>0500</b> Ded. FOR EACH COVERED "AUTO"			100.00
PHYSICAL DAMAGE COVERAGE for covered "autos" you hire or borrow is excess unless otherwise stated below.				<b>TOTAL PREMIUM</b> 200.00

**ITEM FIVE - SCHEDULE FOR NON-OWNERSHIP LIABILITY**

<u>NAMED INSURED'S BUSINESS</u>	<u>RATING BASIS</u>	<u>NUMBER</u>	<u>PREMIUM</u>
OTHER THAN A SOCIAL SERVICE AGENCY	No. of Employees	1	110.00
	No. of Partners		
SOCIAL SERVICE AGENCY	No. of Employees		
	No. of Volunteers		
<b>TOTAL PREMIUM</b>			110.00



POLICY NUMBER: CPP 2054275

PAGE 4  
 COMMERCIAL AUTO LIABILITY  
 COMMERCIAL GENERAL LIABILITY  
 COMMERCIAL INLAND MARINE  
 COMMERCIAL PROPERTY  
 BUSINESSOWNERS  
 CRIME

## SUPPLEMENTAL DECLARATIONS

Named Insured: INDIAN RIVER SCHOOL DISTRICT

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:

FORM ----	EDITION -----	TITLE -----	PREMIUM -----
CA0001	12/93	BUSINESS AUTO COVERAGE FORM	
IL0017	11/98	COMMON POLICY CONDITIONS	
IL0021	04/98	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT	
CA0177	03/94	DELAWARE CHANGES	
PA0255	12/98	DELAWARE CANCELLATION CHANGES	
8E3356	11/01	ABUSE OR MOLESTATION EXCLUSION	
CA2208	02/95	DELAWARE PERSONAL INJURY PROTECTION ENDORSEMENT	
CA2110	04/01	DELAWARE UNINSURED MOTORISTS COVERAGE	
IL0985	01/03	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT OF	
8E3356	11/01	ABUSE OR MOLESTATION EXCLUSION	

## BUSINESS AUTO COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS**.

### SECTION I - COVERED AUTOS

ITEM TWO of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos." The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos."

#### A. DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS

SYMBOL	DESCRIPTION
1 = ANY "AUTO."	
2 = OWNED "AUTOS" ONLY. Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.	
3 = OWNED PRIVATE PASSENGER "AUTOS" ONLY. Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.	
4 = OWNED "AUTOS" OTHER THAN PRIVATE PASSENGER "AUTOS" ONLY. Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.	
5 = OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.	
6 = OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided	
7 = SPECIFICALLY DESCRIBED "AUTOS." Only those "autos" described in ITEM THREE of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in ITEM THREE).	
8 = HIRED "AUTOS" ONLY. Only those autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your employees or partners or members of their households.	
9 = NONOWNED "AUTOS" ONLY. Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your employees or partners or members of their households but only while used in your business or your personal affairs.	

they are subject to the same state uninsured motorists requirement.

#### B. OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS

1. If symbols 1, 2, 3, 4, 5 or 6 are entered next to a coverage in ITEM TWO of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.

2. But, if symbol 7 is entered next to a coverage in ITEM TWO of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:

a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and

b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

#### C. CERTAIN TRAILERS, MOBILE EQUIPMENT AND TEMPORARY SUBSTITUTE AUTOS

If Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto."
3. Any "auto" you do not own while used with the permission of its owner as a temporary substi-

tute for a covered "auto" you own that is out of service because of its:

- a. Breakdown;
- b. Repair;
- c. Servicing;
- d. "Loss;" or
- e. Destruction.

## SECTION II - LIABILITY COVERAGE

### A. COVERAGE

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto."

We will also pay all sums an "insured" legally, must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos." However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident."

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense." However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

#### 1. WHO IS AN INSURED

The following are "Insureds."

- a. You for any covered "auto."
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
  - (1) The owner or anyone else from whom you hire or borrow a covered "auto." This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.
  - (2) Your employee if the covered "auto" is owned by that employee or a member of his or her household.
  - (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.

(4) Anyone other than your employees, partners, a lessee or borrower or any of their employees, while moving property to or from a covered "auto."

(5) A partner of yours for a covered "auto" owned by him or her or a member of his or her household.

c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

#### 2. COVERAGE EXTENSIONS

a. Supplementary Payments. In addition to the Limit of Insurance, we will pay for the "Insured":

- (1) All expenses we incur.
- (2) Up to \$250 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earning up to \$100 a day because of time off from work.
- (5) All costs taxed against the "insured" in any "suit" we defend.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

b. Out-of-State Coverage Extensions.

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used.



This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.

- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

## B. EXCLUSIONS

This insurance does not apply to any of the following:

### 1. EXPECTED OR INTENDED INJURY

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured."

### 2. CONTRACTUAL

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

### 3. WORKERS' COMPENSATION

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

### 4. EMPLOYEE INDEMNIFICATION AND EMPLOYER'S LIABILITY

"Bodily injury" to:

- a. An employee of the "insured" arising out of and in the course of employment by the "insured;" or
- b. The spouse, child, parent, brother or sister of that employee as a consequence of paragraph a. above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic employees not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract."

### 5. FELLOW EMPLOYEE

"Bodily injury" to any fellow employee of the "insured" arising out of and in the course of the fellow employee's employment.

### 6. CARE, CUSTODY OR CONTROL

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

### 7. HANDLING OF PROPERTY

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto;" or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured."

### 8. MOVEMENT OF PROPERTY BY MECHANICAL DEVICE

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto."

### 9. OPERATIONS

"Bodily injury" or "property damage" arising out of the operation of any equipment listed in paragraphs 6.b. and 6.c. of the definition of "mobile equipment."

### 10. COMPLETED OPERATIONS

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in paragraphs a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.



- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

#### 11. POLLUTION

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto;"
  - (2) Otherwise in the course of transit by or on behalf of the "insured;" or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto;"
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto;" or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured."

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants;" and
- (2) The "bodily injury," "property damage" or "covered pollution cost or expense" does not arise out of the operation of

any equipment listed in paragraphs 6.b. and 6.c. of the definition of "mobile equipment."

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto;" and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

#### 12. WAR

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

#### 13. RACING

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

#### C. LIMIT OF INSURANCE

Regardless of the number of covered "autos," "insureds," premiums paid, claims made or vehicles involved in the "accident," the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

All "bodily injury," "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident."

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

## SECTION III - PHYSICAL DAMAGE COVERAGE

## A. COVERAGE

1. We will pay for "loss" to a covered "auto" or its equipment under:

- a. Comprehensive Coverage. From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

- b. Specified Causes of Loss Coverage. Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

- c. Collision Coverage. Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. Towing.

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles.

If you carry Comprehensive Coverage for the damaged covered "auto," we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extension. We will pay up to \$15 per day to a maximum of \$450 for transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for transportation expenses incurred during the period beginning 48 hours

after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss."

## B. EXCLUSIONS

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."

- a. Nuclear Hazard.

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

- b. War or Military Action.

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:

- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. Blowouts, punctures or other road damage to tires.

4. We will not pay for "loss" to any of the following:

- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
- b. Equipment designed or used for the detection or location of radar.
- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.



- d. Any accessories used with the electronic equipment described in paragraph c. above.

Exclusions 4.c. and 4.d. do not apply to:

- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or such equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss," and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or
- b. Any other electronic equipment that is:
  - (1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or

- (2) An integral part of the same unit housing any sound reproducing equipment described in a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.

#### C. LIMIT OF INSURANCE

The most we will pay for "loss" in any one "accident" is the lesser of:

- 1. The actual cash value of the damaged or stolen property as of the time of the "loss;" or
- 2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

#### D. DEDUCTIBLE

For each covered "auto," our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

### SECTION IV - BUSINESS AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

#### A. LOSS CONDITIONS

##### 1. APPRAISAL FOR PHYSICAL DAMAGE LOSS

If you and we disagree on the amount of "loss," either may demand an appraisal of the "loss." In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss." If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

##### 2. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

- a. In the event of "accident," claim, "suit" or "loss," you must give us or our authorized representative prompt notice of the "accident" or "loss." Include:

- (1) How, when and where the "accident" or "loss" occurred;
- (2) The "insured's" name and address; and

- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

- b. Additionally, you and any other involved "insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit."
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit."
- (4) Authorize us to obtain medical records or other pertinent information.
- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

- c. If there is "loss" to a covered "auto" or its equipment you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.

(3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.

(4) Agree to examinations under oath at our request and give us a signed statement of your answers.

### 3. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

### 4. LOSS PAYMENT - PHYSICAL DAMAGE COVERAGES

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

### 5. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

## B. GENERAL CONDITIONS

### 1. BANKRUPTCY

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

### 2. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured," at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto;"
- c. Your interest in the covered "auto;" or
- d. A claim under this Coverage Form.

### 3. LIBERALIZATION

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

### 4. NO BENEFIT TO BAILEE - PHYSICAL DAMAGE COVERAGES

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

### 5. OTHER INSURANCE

a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered "auto" you own.

b. For Hired Auto Physical Damage coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto."

c. Regardless of the provisions of paragraph a. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an "insured contract."

d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

### 6. PREMIUM AUDIT

a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.



- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

#### 7. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

#### 8. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident," the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

### SECTION V - DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage."
- B. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads but does not include "mobile equipment."
- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:
  - 1. Any request, demand or order; or
  - 2. Any claim or "suit" by or on behalf of a governmental authority demanding

that the "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto;"
  - (2) Otherwise in the course of transit by or on behalf of the "insured;"
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto;" or

- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto;" or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured."

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants;" and
- (2) The "bodily injury," "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in paragraphs 6.b. or 6.c. of the definition of "mobile equipment."

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto;" and
  - (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.
- E. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.
- F. "Insured contract" means:
1. A lease of premises;
  2. A sidetrack agreement;
  3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
  6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your employees, of any "auto." However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your employees to pay for "property damage" to any "auto" rented or leased by you or any of your employees.
- An "insured contract" does not include that part of any contract or agreement:
- a. That indemnifies any person or organization for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing; or
  - b. That pertains to the loan, lease or rental of an "auto" to you or any of your employees, if the "auto" is loaned, leased or rented with a driver; or
  - c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- G. "Loss" means direct and accidental loss or damage.
- H. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  2. Vehicles maintained for use solely on or next to premises you own or rent;
  3. Vehicles that travel on crawler treads;
  4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - a. Power cranes, shovels, loaders, diggers or drills; or
    - b. Road construction or resurfacing equipment such as graders, scrapers or rollers.
  5. Vehicles not described in paragraphs 1., 2., 3., or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
    - b. Cherry pickers and similar devices used to raise or lower workers.
  6. Vehicles not described in paragraphs 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
    - a. Equipment designed primarily for:
      - (1) Snow removal;
      - (2) Road maintenance, but not construction or resurfacing; or
      - (3) Street cleaning;
    - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

- I. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- J. "Property damage" means damage to or loss of use of tangible property.
- K. "Suit" means a civil proceeding in which:
  - 1. Damages because of "bodily injury," "property damage," or
  - 2. A "covered pollution cost or expense," to which this Insurance applies, are alleged.

"Suit" includes:

- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "Insured" must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- L. "Trailer" includes semitrailer.

COMMERCIAL AUTO

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **DELAWARE CHANGES**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, Delaware, the Coverage Form is changed as follows:

**A. The BUSINESS AUTO and TRUCKERS COVERAGE FORMS are changed as follows:**

The EXPECTED OR INTENDED INJURY exclusion is replaced by the following:

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured." However, this exclusion does not apply for amounts up to the limits of liability required by the Delaware Financial Responsibility Law.

**B. The GARAGE COVERAGE FORM is changed as follows:**

The EXPECTED OR INTENDED INJURY exclusion is replaced by the following:

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured." However, this exclusion does not apply:

1. For amounts up to limits of liability required by the Delaware Financial Responsibility Law.
2. To "bodily injury" resulting from the use of reasonable force to protect persons or property, for "garage operations" other than covered "autos."

**C. CHANGES IN CONDITIONS**

Paragraph A.5. of the CANCELLATION Common Policy Condition is replaced by the following:

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata.

If the first Named Insured cancels, the refund may be less than pro rata. If the first Named Insured cancels, we will refund the unearned premium only if one of the following has occurred:

- a. The first Named Insured has other liability insurance in effect on the covered "auto" that provides at least the minimum limits required by the Delaware Insurance Code for liability and No-Fault Coverage;
- b. The covered "auto" is no longer owned by the first Named Insured;
- c. The covered "auto" is no longer operable or capable of being repaired so as to become operable; or
- d. The first Named Insured becomes self-insured under the provisions of the Delaware Insurance Code.

The cancellation will become effective even if we have not made or offered a refund.



COMMERCIAL AUTO  
PA 02 55 12 98

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **DELAWARE CANCELLATION CHANGES**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

If you are an individual and a covered "auto" you own is of the "private passenger type", the Cancellation Common Policy Condition does not apply to that "auto". The following Condition applies instead:

### **ENDING THIS POLICY**

#### **A. Cancellation**

1. You may cancel the policy by mailing or delivering to us advance written notice of cancellation.
2. When this policy is in effect less than 60 days and is not a renewal or continuation policy, we may cancel for any reason by mailing or delivering to you within this period written notice of cancellation at least 10 days before the effective date of cancellation.
3. When this policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel only for one or more of the reasons listed below. If we cancel for nonpayment of premium, we will mail you at least 10 days notice. If we cancel for any other reason, we will mail you at least 30 days notice.
  - a. Nonpayment of premium.
  - b. The policy was obtained through a material misrepresentation.
  - c. Any "insured" violated any of the terms and conditions of the policy.
  - d. The named "insured" knowingly failed to disclose fully his or her motor vehicle "accidents" and moving traffic violations, or his or her losses covered under any automobile physical damage or comprehensive coverage for the preceding 36 months, if called for in the application.
  - e. As to renewal of the policy, if the "insured" at any time while the policy was in force failed to disclose fully to us upon request therefor, facts relative to "accidents" and losses incurred material to underwriting of the risk.

f. Any "insured" made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim.

g. The named "insured" or any other operator who either resides in the same household or customarily operates an "auto" insured under such policy:

- (1) Has, within the 36 months prior to the notice of cancellation or nonrenewal, had his or her driver's license under suspension or revocation except a person under the age of 18 whose license has been revoked or suspended:
  - (a) Pursuant to Del. Code Ann. tit. 10, section 1009;
  - (b) Pursuant to Del. Code Ann. tit. 4, section 904; or
  - (c) For a non-driving-related drug offense pursuant to Del. Code Ann. tit. 21, section 2707(b)(11) or section 4177K.

Additionally, Subparagraph (1) does not apply to a person under the age of 18 who has had his or her driver's license, driver's permit and/or driving privileges suspended, by reason of the Delaware Department of Public Safety believing that the such person is a reckless or negligent driver of a motor vehicle or has committed a serious moving traffic violation.

- (2) Has a history of and is subject to epilepsy or heart attacks, and such individual cannot produce a certificate from a physician testifying to his or her unqualified ability to operate a motor vehicle safely;

- (3) Has an accident record, conviction record (criminal or traffic), physical, mental or other condition which is such that his or her operation of an "auto" might endanger the public safety;
  - (4) Has, while the policy is in force, engaged in a competitive speed contest while operating an "auto" insured under the policy;
  - (5) Is addicted to or uses narcotics or other drugs;
  - (6) Uses alcoholic beverages to excess thereby impairing his or her ability to operate a motor vehicle;
  - (7) Has been convicted, or forfeited bail, during the 36 months immediately preceding the notice of cancellation or nonrenewal, for:
    - (a) Any felony;
    - (b) Criminal negligence resulting in death, homicide or assault arising out of the operation of a motor vehicle;
    - (c) Operating a motor vehicle while in an intoxicated condition or while under the influence of drugs;
    - (d) Leaving the scene of an "accident" without stopping to report;
    - (e) Theft or unlawful taking of a motor vehicle; or
    - (f) Making false statements in an application for a driver's license.
  - (8) Has been convicted of, or forfeited bail, for 3 or more violations, the point total for which exceeds 8 points, or 3 at fault "accidents" in which claims are paid in excess of \$250 per "accident" within the 36 months immediately preceding the notice of cancellation or nonrenewal, of any law, ordinance or regulation limiting the speed of motor vehicles or any of the provisions of the motor vehicle laws of any state, violation of which constitutes a dangerous moving violation as set forth in Del. Code Ann. tit. 21, chapter 41, whether or not the violations were repetitions of the same offense or different offenses.
- h. The covered "auto" is:
- (1) So mechanically defective that its operation might endanger public safety;
  - (2) Used in carrying passengers for hire or compensation, except that the use of an "auto" for a car pool shall not be considered use of an "auto" for hire or compensation;
  - (3) Used in the business of transportation of flammables or explosives;
  - (4) An authorized emergency vehicle;
  - (5) Modified or changed in condition during the policy period so as to increase the risk substantially; or
  - (6) Subject to an inspection law and has not been inspected or, if inspected fails to qualify.
- But if this policy has been written for a period of more than a year or without a fixed expiration date, we may cancel at an anniversary of its original effective date for any reason. If we cancel, we will mail or deliver to you at least 30 days written notice.
- 4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
  - 5. If this policy is cancelled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- B. Nonrenewal**
- 1. If we decide not to renew or continue this policy we will mail or deliver to you written notice at least 30 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
  - 2. If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance this policy will end on the effective date of that insurance.
- C. Mailing Of Notices**
- We will mail by certified mail or deliver our notice of cancellation or nonrenewal to your last mailing address known to us, except that notice of cancellation for non-payment of premium will be mailed by regular mail. If notice is mailed, proof of mailing will be sufficient proof of notice.

# Policyholder Notice of Changes In Commercial Automobile and Garage Coverages

## 1992 Revisions

This is a summary of the changes in your auto or garage policy which includes new (edition 6/92) Commercial Automobile or Garage Coverage Forms and endorsements. NO COVERAGE IS PROVIDED BY THIS SUMMARY nor can it be construed to replace any provision of your policy. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE for complete information on the coverage you are provided. If there is any conflict between the policy and this summary, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

The areas within the policy forms and endorsements that reduce, broaden, or clarify coverage are highlighted below.

### A. REDUCTIONS OF COVERAGE

#### CA 00 05 -- Garage Coverage Form

A Liquor Liability exclusion has been introduced into the Garage Coverage Form in order to maintain consistency with the Commercial General Liability Program. Although the introduction of this exclusion clarifies the original intent of the Garage Coverage Form, the addition of specific language in the policy excluding the liquor liability exposure could technically represent a reduction of coverage.

### B. BROADENINGS IN COVERAGE

#### CA 20 33 -- Autos Leased, Hired, Rented or Borrowed With Drivers - Physical Damage Coverage

New Optional endorsement CA 20 33 has been introduced to make available physical damage coverage for autos leased, hired, rented or borrowed with drivers. This type of coverage, although not previously provided, will now be specifically excluded under the Commercial Auto Coverage Forms and the Truckers Endorsement, with the changes to the OTHER INSURANCE Condition (see explanation under Clarifications of Coverage).

#### CA 25 08 -- Personal Injury Liability Coverage - Garages

#### CA 25 14 -- Broadened Coverage - Garages

The WHO IS AN INSURED provision in endorsement CA 25 08 has been revised to add spouses of partners as insureds, if the named insured is a partnership, and employees as insureds, while those employees are acting within the scope of their duties.

The WHO IS AN INSURED provision in endorsement CA 25 14 has been revised to add employees as insureds, while those employees are acting within the scope of their duties (endorsement CA 25 14 already included spouses of partners as insureds).

### C. CLARIFICATIONS OF COVERAGE

#### CA 00 01 -- Business Auto Coverage Form

The definition of "covered pollution cost or expense" in CA 00 01 has been revised to reference the word "threatened" instead of "threatened." This change corrects a typographical error in the previous version of this definition, thus, it is considered a clarification.

#### CA 00 01 -- Business Auto Coverage Form

#### CA 00 12 -- Truckers Coverage Form

The "auto business exclusion" (paragraph 1.b.(3) of the WHO IS AN INSURED provision) in CA 00 01 and CA 00 12 has been revised to add reference to entities in the business of storing autos, to clarify the original intent that coverage should not apply to such entities.

The CARE, CUSTODY OR CONTROL Exclusion in CA 00 01 and CA 00 12 has been revised to add the words "owned or " following"...involving property." These words were inadvertently omitted from the previous version of this exclusion, thus, this change is a clarification of the original intent.



CA 00 01 -- Business Auto Coverage Form  
CA 00 05 -- Garage Coverage Form  
CA 00 10 -- Business Auto Physical Damage Coverage Form  
CA 00 12 -- Truckers Coverage Form  
CA 23 20 -- Truckers Endorsement

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The OTHER INSURANCE Condition in CA 00 01, CA 00 05, CA 00 10, CA 00 12 and CA 23 20 has been revised to better convey the original intent that vehicles leased, hired, rented or borrowed with drivers are not intended to be covered under hired auto physical damage coverage. This revision is consistent with the current language of Rule 90 - Hired Autos. (This coverage, however, will be newly available as an option under new endorsement CA 20 33 -- see explanation under Broadenings in Coverage.)

CA 00 12 -- Truckers Coverage Form  
CA 23 20 -- Truckers Endorsement

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The WHO IS AN INSURED provision in CA 00 12 and CA 23 20 has been revised to clarify that both those lessors who purchase no hired auto coverage and those that purchase hired auto coverage that is not primary, are not considered to be insureds.

CA 25 05 -- Garage Locations and Operations Medical Payments Coverage  
CA 99 03 -- Auto Medical Payments Coverage

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We have revised the COVERAGE provision in CA 25 05 and CA 99 03 to clarify the fact that the company will only pay expenses for services rendered during the applicable time period.

CA 99 28 -- Stated Amount Insurance

We have revised the lead-in to CA 99 28 to add reference to the Business Auto Physical Damage Coverage Form. This reference was intended to be included in the previous version of this endorsement. Thus, this change is a clarification.

CA 99 37 -- Garagekeepers Coverage

The definition of "auto" in CA 99 37 has been revised to specifically include customer's vehicles that are left with a restaurant, garage, or similar establishment for service, repair, storage or safekeeping. This was done as a clarification of coverage intent and in order to eliminate concerns in symboling.

The definition of "garage operations" in CA 99 37 has also been revised to add reference to the word "storing" for consistency with the coverage grant in that endorsement and as a clarification.



COMMERCIAL AUTO

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ABUSE OR MOLESTATION EXCLUSION**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
GARAGE COVERAGE FORM

Under Liability Coverage, the following exclusion is added:

This Insurance does not apply to "bodily injury" or "property damage" arising out of:

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
2. The negligent:
  - a. Employment;
  - b. Investigation;

- c. Supervision;
- d. Reporting to the proper authorities, or failure to so report; or
- e. Retention;  
of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

For the purposes of this endorsement, abuse means an intentional, inherently harmful act.

POLICY NUMBER:

COMMERCIAL AUTO

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY****DELAWARE PERSONAL INJURY PROTECTION  
ENDORSEMENT**

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, Delaware, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective	
Named Insured	Countersigned by

(Authorized Representative)

**SCHEDULE**

The following Limit of Compensation shall apply as indicated below:

Personal Injury Protection for "Bodily Injury"	Limit of Compensation	Premium
<input checked="" type="checkbox"/> Single Limit or	\$30,000 each "accident"	\$
<input type="checkbox"/> Split Limits	\$15,000 each person \$30,000 each "accident"	\$
A Personal Injury Protection coverage deductible of \$ applies to you or you and "family members" as indicated below:		
<input type="checkbox"/> You		
<input type="checkbox"/> You and "family members"		

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**A. COVERAGE****1. PERSONAL INJURY PROTECTION**

We will pay, in accordance with Del. Code Ann. tit. 21, chapter 21, subchapter 1, Personal Injury Protection benefits to or for the benefit of the "injured person" who sustains "bodily injury" caused by an "accident" arising out of the ownership, maintenance or use of a "motor vehicle" as a motor vehicle and incurred within two years from the date of the "accident."

Subject to the limits shown in the Schedule, these Personal Injury Protection benefits consist of:

- a. Medical expenses. Reasonable expenses for necessary medical, hospital, dental, surgical, x-ray, ambulance, and professional nursing services, prosthetic devices and non-medical remedial care and treatment rendered in accordance with a recognized religious method of healing.
- b. Funeral expenses. Reasonable and necessary expenses for professional funeral services and all customary charges, which may include a burial plot.
- c. Loss of earnings. Any amount actually lost, net of taxes on income which would have applied, by reason of inability to work and earn wages or salary or their equivalents that would otherwise have been earned in the normal course of an "injured person's" employment but not other income, but loss of earnings does not include any loss after the death of an "injured person."
- d. Substitute service expenses. Reasonable and necessary extra expense for personal services which would have been performed by the "injured person" had he or she not been injured.

**2. DAMAGE TO PROPERTY OTHER THAN A MOTOR VEHICLE**

We will pay in accordance with Del. Code Ann. tit. 21, chapter 21, subchapter 1, for accidental damage which occurs during the policy period to property damaged in an "accident" involving the "insured motor vehicle," other than damage to a "motor vehicle."

**B. WHO IS AN INSURED**

1. You.
2. If you are an individual, any "family member."
3. Any person while occupying the "insured motor vehicle."
4. Any person injured in an "accident" involving the "insured motor vehicle," other than an occupant of another "motor vehicle."

**C. EXCLUSIONS****1. PERSONAL INJURY PROTECTION**

We will not pay Personal Injury Protection benefits for "bodily injury" sustained by:

- a. Any person while the "motor vehicle" is used as a public or livery conveyance unless such use is specifically declared and described in the coverage part.
- b. Any person while occupying a "motor vehicle" located for use as a residence or premises.
- c. Any person resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material.
- d. Any person due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing.
- e. Any person while operating the "insured motor vehicle" without your express or implied consent.
- f. Any person if such person's conduct contributed to his or her "bodily injury" under any of the following circumstances:
  - (1) Causing "bodily injury" to himself or herself intentionally; or
  - (2) While committing a felony.
- g. Any person, other than you or any "family member," while a pedestrian, if the accident occurs outside the State of Delaware.
- h. You or any "family member" while occupying or while a pedestrian arising out of the ownership, maintenance or use of any motor vehicle" (other than the "insured motor vehicle") with respect to which the insurance required by the Delaware Motorists Protection Act is in effect.
- i. You or any "family member" while "occupying" or while a pedestrian arising out of the ownership, maintenance or use of any motor vehicle" owned by or furnished or available for the regular use of you or any "family member" if such "motor vehicle" is not an "insured motor vehicle."

**2. DAMAGE TO PROPERTY OTHER THAN A MOTOR VEHICLE**

We will not pay benefits for:

- a. Damage to any property while the "insured motor vehicle" is being used as a public or livery conveyance unless such use is specifically declared and described in the coverage part.
- b. Damage to any property while the "insured motor vehicle" is located for use as a residence or premises.
- c. Damage to any property resulting from radioactive contamination.



- d. Damage to any property due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to the foregoing.
- e. Damage to any property while the "insured motor vehicle" is used without your express or implied consent.
- f. Damage to aircraft, watercraft, self-propelled mobile equipment and to any property in or upon any of the aforementioned.
- g. Damage to any property in or upon any motor vehicle."
- h. Damage to any property owned by, rented to or leased by you or any "family member".

#### **D. LIMIT OF INSURANCE**

##### **1. PERSONAL INJURY PROTECTION**

Regardless of the number of persons insured, policies applicable, claims made, premiums paid or "insured motor vehicles" to which this coverage applies, the total limit of compensation payable by us under this coverage is as follows, provided that, the payment for funeral expenses included in the following shall in no event exceed \$5,000 for any one person:

- a. If the Schedule indicates a single limit of compensation, the total limit of compensation payable by us under this coverage for all loss and expense arising out of "bodily injury" as a result of any one "accident" shall be \$30,000. We will apply the limit of compensation to provide any separate limits required by law for personal injury protection benefits.
- b. If the Schedule indicates an "each person" and "each accident" limit of compensation, the total limit of compensation payable by us under this coverage for all loss and expense arising out of "bodily injury" sustained by one "injured person" as the result of any one "accident" shall be \$15,000 and, subject to the above provision respecting one "injured person," the total limit of compensation payable by us for all loss and expense arising out of "bodily injury" sustained by two or more "injured persons" as the result of any one "accident" shall be \$30,000.

The total amount of any applicable deductible shall be deducted from the total amount of all sums which we are obligated to pay for all loss and expense arising out of "bodily injury" sustained by one or more "injured persons" to whom such deductible applies as the result of any one "accident" and, subject to the foregoing, the total limit of compensation payable by us with respect to loss and expense of such "injured person" or persons shall be the difference between such deductible amount and the limit of compensation specified in the coverage part.

##### **2. DAMAGE TO PROPERTY OTHER THAN A MOTOR VEHICLE**

Regardless of the number of persons insured, policies applicable, claims made, premiums paid or "insured motor vehicles" to which this coverage applies, the total limit of compensation payable by us under this coverage for all damage to property as the result of any one "accident" shall be \$10,000.

#### **E. CHANGES IN CONDITIONS**

The CONDITIONS are changed for DELAWARE PERSONAL INJURY PROTECTION COVERAGE as follows:

##### **1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS is replaced by the following:**

- a. In the event of "accident," claim, "suit" or "loss," you must give us or our authorized representative prompt written notice of the accident" or "loss." Include:

- (1) How, when and where the "accident" or "loss" occurred;
- (2) The "injured person's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

- b. Additionally, you and any other involved "injured person" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "injured person's" own cost.
- (2) Immediately send us copies of any demand, notice, summons or legal paper received concerning the claim or "suit."
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit."
- (4) Authorize us to obtain medical reports, copies of records and loss of earnings information or other pertinent information.
- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.
- (6) As promptly as practical and in no event more than two years after expenses are incurred, give us written proof of claim, under oath if required.

- c. If an "injured person" or his or her legal representative institutes legal action for damages for "bodily injury," he or she must promptly give us a copy of the summons and complaint or other process served in connection with the legal action.



d. If there is "loss" to an "insured motor vehicle" or its equipment you must also do the following:

- (1) Promptly notify the police if the "insured motor vehicle" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the "insured motor vehicle" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the "insured motor vehicle" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

e. In the event of loss to property other than a motor vehicle:

- (1) The property shall be protected and any further loss due to failure to protect shall not be recoverable under this coverage; reasonable expenses incurred affording such protection shall be deemed incurred at our request; and
- (2) Within 91 days after loss, sworn proof of loss in such form and including such information as we may reasonably require shall be filed with us and, upon our request, the damaged property shall be exhibited and the owner or bailee thereof shall submit to examination under oath.

2. **OTHER INSURANCE** in the BUSINESS AUTO and GARAGE COVERAGE FORMS and OTHER INSURANCE - PRIMARY AND EXCESS INSURANCE PROVISIONS in the TRUCKERS and MOTOR CARRIER COVERAGE FORMS is amended by the addition of the following:

For damage to property other than a "motor vehicle," this coverage does not apply if there is other valid and collectible property coverage covering a loss which would otherwise be covered by this coverage unless the owner or operator of the "insured motor vehicle" would be legally liable for such damage under applicable principles of tort law. The question of whether such owner or operator would be legally liable shall be resolved by arbitration.

3. **POLICY PERIOD, COVERAGE TERRITORY** is amended by the addition of the following:

For damage to property other than a "motor vehicle," we cover "accidents" and "losses" occurring during the policy period shown in the Declarations and in the State of Delaware.

The following **CONDITIONS** are added:

**COORDINATION AND NON-DUPPLICATION**

1. For Personal Injury Protection benefits, no "injured person" shall recover duplicate Personal Injury Protection payments for the same elements of loss under this or any other similar automobile coverage or for any benefits provided under any workers' compensation law.
2. For Personal Injury Protection benefits, this coverage is excess to any other similar automobile coverage available:
  - a. To an "injured person" as a result of "bodily injury" sustained while "occupying," or while a pedestrian arising out of the ownership, maintenance or use of any vehicle other than a "motor vehicle" with respect to which the security required under the Delaware Motorists Protection Act is in effect; or
  - b. To an "injured person," other than a resident of the State of Delaware, as a result of "bodily injury" sustained while "occupying" the "insured motor vehicle" if the "accident" occurs outside the State of Delaware.
3. Any automobile medical payments coverage and any uninsured motorists coverage provided under this policy are excess over any benefits available, or which would be available but for the application of a deductible, under the coverage provided for Personal Injury Protection and for Damage to Property Other Than a Motor Vehicle.

**DENTAL OR SURGICAL PROCEDURES, MEDICAL EXPENSE AND LOSS OF EARNINGS**

For Personal Injury Protection benefits, any expenses for dental or surgical procedures, medical expenses including related treatment and "loss of earnings", the necessity of which have been medically ascertained and verified in writing as being necessary by a qualified medical practitioner within two years from the date of the "accident," which are impossible or impractical to perform during that period, shall be treated as if incurred within two years from the date of the "accident." We shall have the option to pay such expenses either at the time such expenses are ascertained or at the time they are incurred. The amount of loss of earnings payable in connection with such dental or surgical procedures shall be limited to the period of time that is reasonably necessary to recover from such procedures but not to exceed ninety days.

**ARBITRATION**

We shall submit to arbitration any claim for Personal Injury Protection benefits provided by this endorsement, and any claim for damage to a "motor

vehicle," including loss of use of such vehicle; provided the person claiming loss or damage shall make a written request for arbitration to the Insurance Commissioner of the State of Delaware within 90 days from the date an offer of settlement or denial of coverage or liability has been made by us.

#### **STATUTORY PROVISION**

Notwithstanding any of the terms and conditions of the policy, the coverage afforded under this insurance is, subject to its terms and conditions, at least as extensive as the minimum coverage required by Del. Code Ann. tit. 21, chapter 21, subchapter 1.

#### **F. ADDITIONAL DEFINITIONS**

1. The definition of "auto" in the Definitions Section does not apply. The following definition of "motor vehicle" applies instead:

##### **a. PERSONAL INJURY PROTECTION**

"Motor vehicle" means a land motor vehicle, including a trailer or semitrailer used therewith, designed to travel upon public roads in, upon or by which any person or property is or may be transported or drawn upon a public highway, except devices moved by human or animal power or used exclusively upon stationary rails or tracks.

##### **b. DAMAGE TO PROPERTY OTHER THAN A MOTOR VEHICLE**

"Motor vehicle" means a land motor vehicle, including a trailer or semitrailer used therewith, designed to travel upon public roads in, upon or by which any person or property is or may be transported or drawn upon a public highway, except devices moved by human or animal power or used exclusively upon stationary rails or tracks.

"Motor vehicle" also includes self-propelled mobile equipment.

2. The definition of "insured" in the DEFINITIONS Section does not apply. The following definition of "injured person" applies instead:

"Injured person" means:

- a. Any person injured while occupying the "insured motor vehicle";
- b. Any person injured in an "accident" involving the "insured motor vehicle"; or
- c. You or any "family member" injured while a pedestrian or while occupying any "motor vehicle," other than the "insured motor vehicle."

3. As used in this endorsement:

- a. "Family member" means members of your immediate family not having a separate household and persons actually residing with and economically dependent upon you.

- b. "Insured motor vehicle" means:

- (1) For PERSONAL INJURY PROTECTION, a "motor vehicle" owned by you to which the bodily injury liability coverage of the coverage part applies and which is registered in the State of Delaware.
- (2) For DAMAGE TO PROPERTY OTHER THAN A MOTOR VEHICLE, a "motor vehicle" owned by you to which the property damage liability coverage of the coverage part applies and which is registered in the State of Delaware.

POLICY NUMBER:

COMMERCIAL AUTO  
CA 21 10 04 01**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****DELAWARE UNINSURED MOTORISTS COVERAGE**

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, Delaware, this endorsement modifies Insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective:	Countersigned By:  (Authorized Representative)
Named Insured:	

**SCHEDULE**

<b>LIMIT OF INSURANCE</b>	
\$	Each "Accident"

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**A. Coverage**

1. We will pay all sums the "insured" is legally entitled to recover as damages from the owner or driver of:

- a. An "uninsured motor vehicle" or an "underinsured motor vehicle" because of "bodily injury" sustained by the "insured" caused by an "accident"; and
- b. An "uninsured motor vehicle" because of "property damage" caused by an "accident".

The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle" or the "underinsured motor vehicle".

2. We will pay only after the limits of liability under any liability bonds or policies have been exhausted by payment of judgments or settlements.

3. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

**B. Who Is An Insured**

If the Named Insured is designated in the Declarations as:

- 1. An individual, then the following are "insureds":
  - a. The Named Insured and any "family members".
  - b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
  - c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".



2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":

- a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
- b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

#### C. Exclusions

This insurance does not apply to any of the following:

1. With respect to an "uninsured motor vehicle", any claim settled without our consent, if the settlement prejudices our rights to recover payment.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. The direct or indirect benefit of any insurer of property.
4. The first \$250 of the amount of "property damage" to the property of each "insured" as the result of any one "accident".
5. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.

#### D. Limit Of Insurance

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the limit of Uninsured Motorists Coverage shown in the Schedule or Declarations. We will apply this limit to first provide the separate limits required by the Uninsured Motorists Law of the State of Delaware for:
  - a. "Bodily injury" to one person in any one "accident",
  - b. "Bodily injury" to two or more persons in any one "accident",
  - c. "Property damage" in any one "accident".

This provision will not change our total limit of liability.

2. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage Form or Medical Payments Coverage Endorsement attached to this Coverage Part.

We will not make a duplicate payment under this Coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible, including all sums paid under the policy's Liability Coverage.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits or similar law.

3. We will not pay for "loss" which is paid or payable under Physical Damage Coverage.

#### E. Changes In Conditions

The Conditions are changed for Uninsured Motorists Coverage as follows:

1. **Other Insurance** in the Business Auto and Garage Coverage Forms and **Other Insurance - Primary And Excess Insurance Provisions** in the Truckers and Motor Carrier Coverage Forms are replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. Any insurance we provide with respect to a vehicle the Named Insured does not own shall be excess over any other collectible uninsured or underinsured motorists insurance providing coverage on a primary basis.

- b. If the coverage under this coverage form is provided:

- (1) On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
- (2) On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.

2. **Duties In The Event Of Accident, Claim, Suit Or Loss** is changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved, and
- b. Promptly send us copies of the legal papers if a "suit" is brought.



**3. Transfer Of Rights Of Recovery Against Others To Us** is replaced by the following:

- a. With respect to an "uninsured motor vehicle", if we make any payment, we are entitled to recover what we paid from other parties up to the amount of coverage required by the Delaware financial responsibility law. Any person to or for whom we make payment must transfer to us his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.
- b. With respect to an "uninsured motor vehicle", if we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid up to the limits specified by the Delaware financial responsibility law.
- c. This provision does not apply to damages caused by an "accident" with an "underinsured motor vehicle".

**4. The following Condition is added:**

**ARBITRATION**

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or an "underinsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.
- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

**5. The Two Or More Coverage Forms Or Policies Issued By Us** is replaced by the following:

If this Coverage Form or any other Coverage Form or policy issued to the Named Insured, or any resident of the Named Insured's household, if the Named Insured is an individual, by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

**F. Additional Definitions**

As used in this endorsement:

1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption who is a resident of such Named Insured's household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Property damage" means injury or destruction of:
  - a. A covered "auto" (including its loss of use);
  - b. Property contained in the covered "auto" and owned by the Named Insured or if the Named Insured is an individual, any "family member"; or
  - c. Property contained in the covered "auto" and owned by anyone else "occupying" the covered "auto".
4. "Uninsured motor vehicle" means a land motor vehicle or "trailer":
  - a. For which no liability bond or policy at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged;
  - b. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
  - c. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must either:
    - (1) Hit an "insured", a covered "auto" or a vehicle an "insured" is "occupying"; or

- (2) Cause "bodily injury" or "property damage" without hitting an "insured", a covered "auto" or a vehicle an "insured" is "occupying". We will only accept competent evidence which may include the testimony, under oath, of a person making claim under this or any similar coverage.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or who becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency;
- c. Designed for use mainly off public roads while not on public roads; or
- d. That is an "underinsured motor vehicle".

5. An "underinsured motor vehicle" means a land motor vehicle or "trailer" for which the sum of all liability bonds or policies at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged but that sum is less than the limit of insurance for this coverage.

However, "underinsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law;
- b. Owned by a governmental unit or agency;
- c. Designed for use mainly off public roads while not on public roads; or
- d. That is an "uninsured motor vehicle".

COMMERCIAL AUTO

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ABUSE OR MOLESTATION EXCLUSION**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
GARAGE COVERAGE FORM

Under Liability Coverage, the following exclusion is added:

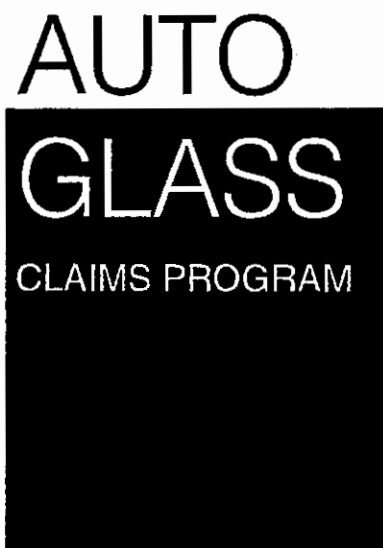
This insurance does not apply to "bodily injury" or "property damage" arising out of:

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
2. The negligent:
  - a. Employment;
  - b. Investigation;

- c. Supervision;
- d. Reporting to the proper authorities, or failure to so report; or
- e. Retention;  
of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

For the purposes of this endorsement, abuse means an intentional, inherently harmful act.

**For Auto Glass claims, call our  
toll free number...**



**1-800-216-1420**



**Utica National Insurance Group**  
Insurance that starts with you.

Utica Mutual Insurance Company and its affiliated companies, New Hartford, N.Y. 13413





Utica Mutual Insurance Company and its affiliated companies, New Hartford, N.Y. 13413